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PART - VI

Acts of Parliament and Ordinances promulgated by the President

LEGISLATIVE AND PARLIAMENTARY AFFAIRS DEPARTMENT

Sachivalaya, Gandhinagar, 17th July, 2026

No. RPB/Act-4/2026/E:- The Following Act of Parliament is republished for general information:-

Government of India
Ministry of Law and Justice
Legislative Department

New Delhi, the 30th March, 2026/Chaitra 9, 1948 (Saka)

The following Act of Parliament received the assent of the President on the 30th March, 2026 and is hereby published for general information:-

THE FINANCE ACT, 2026

(NO. 4 OF 2026)

[30*th March,* 2026]

An Act to give effect to the financial proposals of the Central Government for the financial year 2026-27.

BE it enacted by Parliament in the Seventy-seventh Year of the Republic of India as follows:—

CHAPTER I

"PRELIMINARY"

1. (*1*) This Act may be called the Finance Act, 2026. Short title and commencement.

(*2*) Save as otherwise provided in this Act,—

(*a*) sections 2 to 129, clause (b) of section 152 and section 156 shall come into force on the 1st day of April, 2026;

(*b*) sections 153 to 155 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

CHAPTER II

RATES OF INCOME-TAX

Income-tax under Act 43 of 1961.

2. (*1*) Subject to the provisions of sub-sections (*2*), (*3*), (*4*) and (*5*), for the assessment year commencing on the 1st day of April, 2026, income-tax shall be charged under the provisions of the Income-tax Act, 1961 (herein referred to as the said Act) at the rates specified in Part I-A of the First Schedule and such tax shall be increased by a surcharge, for the purposes of the Union, calculated in each case in the manner provided therein.

(*2*)(*a*) Where an assessee as specified in column B of the Table below, has, in the previous year, any net agricultural income exceeding five thousand rupees, in addition to the total income, and the total income exceeds the maximum amount not chargeable to income-tax as specified in column C of the said Table, in respect of the said assessee, the net agricultural income shall be taken into account, only for the purpose of charging income-tax in respect of the total income.

TABLE

Sl. No.	Assessee	Maximum amount not chargeable to income-tax
A	B	C
1.	(*i*) Every individual other than the individual referred to in Sl. No. 2 or 3; or (*ii*) Hindu undivided family; or (*iii*) association of persons or body of individuals, whether incorporated or not; or (*iv*) every artificial juridical person referred to in section 2(*31*)(*vii*) of the said Act, not being an assessee to which Paragraph B, C, D or E of Part I-A of the First Schedule applies or to whom Sl. No. 4 applies.	Rs. 2,50,000.
2.	Every individual, being a resident in India, who is of the age of sixty or more but less than eighty years at any time during the previous year.	Rs. 3,00,000.
3.	Every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year.	Rs. 5,00,000.
4.	Assessee whose income is chargeable to tax under section 115BAC(*1A*) of the said Act.	Rs. 4,00,000.

(*b*) For the purposes of clause (*a*), the income-tax chargeable shall be computed as per the following formula:—

Zo = Xo–Yo

where,—

Zo = the income-tax chargeable for the purposes of clause (*a*);

Xo = the amount of income-tax determined in respect of the Aggregate Income (AIo) at the rates specified in Paragraph A of Part I-A of the First Schedule or sub-section (*1A*) of section 115BAC of the said Act, as if such AIo were the total income; and

Yo = the amount of income-tax determined in respect of the net agricultural income increased by a sum as specified in column C of the Table mentioned in clause (*a*) at the rates specified in the said Paragraph A or sub-section (*1A*) of section 115BAC of the said Act, as if the net agricultural income as so increased were the total income;

Aggregate Income (AIo) = Total income + Net agricultural income.

(*3*) In cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (*1A*) of section 161 or section 164 or section 164A or section 167B of the said Act apply, the tax chargeable shall be determined—

(*i*) as provided in that Chapter or that section; and

(*ii*) with reference to the rates imposed by sub-section (*1*) or the rates as specified in that Chapter or section, as the case may be.

(*4*) For the purposes of sub-section (*3*),—

(*a*) the amount of income-tax computed in accordance with the provisions of section 111A or section 112 or section 112A of the said Act shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph F of Part I-A of the First Schedule, except in case of—

(*i*) a domestic company whose income is chargeable to tax under section 115BAA or section 115BAB of the said Act;

(*ii*) an individual or Hindu undivided family or association of persons, or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (*vii*) of clause (*31*) of section 2 of the said Act whose income is chargeable to tax under sub-section (*1A*) of section 115BAC of the said Act; or

(*iii*) a co-operative society resident in India, whose income is chargeable to tax under section 115BAD or section 115BAE of the said Act;

(*b*) in respect of income chargeable to tax under the section as specified in column B of the Table below, in the case of a person as specified in column C of the said Table, the amount of income-tax computed shall be increased by a surcharge, for the purposes of the Union, calculated at the rate or rates as specified in column D of the said Table, of such income-tax.

TABLE

Sl. No.	Section	Person	Rate of surcharge
A	B	C	D
1.	115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBF, 115BBG, 115BBH, 115BBI,	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or	(*i*) Where the total income exceeds Rs. 50,00,000 but does not exceed Rs. 1,00,00,000, at the rate of ten per cent.; (*ii*) where the total income exceeds Rs. 1,00,00,000 but does not exceed Rs. 2,00,00,000, at the rate of fifteen per cent.;

A	B	C	D
	115BBJ, 115E, 115JB or 115JC.	(*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*31*)(*vii*) of the said Act, not having any income under section 115AD of the said Act and not having any income chargeable to tax under section 115BAC(*1A*) of the said Act.	(*iii*) where the total income exceeds Rs. 2,00,00,000 but does not exceed Rs. 5,00,00,000, at the rate of twenty-five per cent.; (*iv*) where the total income exceeds Rs. 5,00,00,000, at the rate of thirty-seven per cent.
2.	115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBF, 115BBG, 115BBH, 115BBI, 115BBJ, 115E, 115JB or 115JC.	(*i*) Every individual; or (*ii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iii*) body of individuals, whether incorporated or not; or (*iv*) every artificial juridical person referred to in section 2(*31*)(*vii*) of the said Act, having any income under section 115AD of the said Act, and not having any income chargeable to tax under section 115BAC(*1A*) of the said Act.	(*i*) Where the total income exceeds Rs. 50,00,000 but does not exceed Rs. 1,00,00,000, at the rate of ten per cent.; (*ii*) Where the total income exceeds Rs. 1,00,00,000 but does not exceed Rs. 2,00,00,000, at the rate of fifteen per cent.; (*iii*) where the total income [excluding dividend income or short-term or long-term capital gains as referred to in section 115AD(*1*)(*b*) of the said Act] exceeds Rs. 2,00,00,000 but does not exceed Rs. 5,00,00,000, at the rate of twenty-five per cent.; (*iv*) where the total income [excluding dividend income or short-term or long-term capital gains as referred to in section 115AD(*1*)(*b*) of the said Act] exceeds Rs. 5,00,00,000, at the rate of thirty-seven per cent.; (*v*) where the total income [including dividend income or short-term or long-term capital gains as referred to in section 115AD(*1*)(*b*) of the said Act] exceeds Rs. 2,00,00,000, but is not covered in clauses (*iii*) and (*iv*), at the rate of fifteen per cent.;

A	B	C	D
			(*vi*) where the total income includes any dividend income or short-term or long-term capital gains as referred to in section 115AD(*1*)(*b*) of the said Act, the rate of surcharge on the income-tax calculated on that part of income shall not exceed fifteen per cent. and the provisions of clause (*i*) or (*ii*), as the case may be, shall apply accordingly.
3.	115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBF, 115BBG, 115BBH, 115BBI, 115BBJ, 115E, 115JB or 115JC.	Association of persons consisting of only companies as its members.	(*i*) Where the total income exceeds Rs. 50,00,000 but does not exceed Rs. 1,00,00,000, at the rate of ten per cent.; (*ii*) where the total income exceeds Rs. 1,00,00,000, at the rate of fifteen per cent.
4.	115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBF, 115BBG, 115BBH, 115BBI, 115BBJ, 115E, 115JB or 115JC.	Every co-operative society except such co-operative society whose income is chargeable to tax under section 115BAD or 115BAE of the said Act.	(*i*) Where the total income exceeds Rs. 1,00,00,000 but does not exceed Rs.10,00,00,000, at the rate of seven per cent.; (*ii*) where the total income exceeds Rs. 10,00,00,000, at the rate of twelve per cent.

A	B	C	D
5.	115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBF, 115BBG, 115BBH, 115BBI, 115BBJ, 115E, 115JB or 115JC.	Every firm or local authority.	Where the total income exceeds Rs. 1,00,00,000, at the rate of twelve per cent.
6.	115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBF, 115BBG, 115BBH, 115BBI, 115BBJ, 115E, 115JB or 115JC.	Every domestic company except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the said Act.	(*i*) Where the total income exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000, at the rate of seven per cent.; (*ii*) where the total income exceeds Rs. 10,00,00,000, at the rate of twelve per cent.
7.	115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BA, 115BB, 115BBA, 115BBC, 115BBF, 115BBG, 115BBH, 115BBI, 115BBJ, 115E, 115JB or 115JC.	Every company, other than a domestic company.	(*i*) Where the total income exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000, at the rate of two per cent.; (*ii*) where the total income exceeds Rs. 10,00,00,000, at the rate of five per cent.

A	B	C	D
8.	115BBE (*1*)(*i*).	Any assessee.	Twenty-five per cent.
9.	115BAA or 115BAB.	Every domestic company.	Ten per cent.
10.	115BAC (*1A*).	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*31*)(*vii*) of the said Act.	(*i*) Where the total income (including dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act) exceeds Rs. 50,00,000 but does not exceed Rs. 1,00,00,000, at the rate of ten per cent.; (*ii*) where the total income (including dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act) exceeds Rs. 1,00,00,000 but does not exceed Rs. 2,00,00,000, at the rate of fifteen per cent.; (*iii*) where the total income (excluding dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act) exceeds Rs. 2,00,00,000, at the rate of twenty-five per cent.; (*iv*) where the total income (including dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act) exceeds Rs. 2,00,00,000, but is not covered in clause (*iii*) at the rate of fifteen per cent.; (*v*) where the total income includes any dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act, the rate of surcharge on the income-tax in respect of that part of income shall not exceed fifteen per cent. and the provisions of clause (*i*) or (*ii*), as the case may be, shall apply accordingly.

A	B	C	D
11.	115BAC (*1A*).	Association of persons consisting of only companies as its members.	(*i*) Where the total income exceeds Rs. 50,00,000 but does not exceed Rs. 1,00,00,000, at the rate of ten per cent.; (*ii*) where the total income exceeds Rs. 1,00,00,000, at the rate of fifteen per cent.
12.	115BAD or 115BAE.	Every co-operative society resident in India.	Ten per cent.
13.	115AD (*1*)(*a*).	Specified fund, referred to in clause (*c*) of the *Explanation* to section 10(*4D*) of the said Act, whose income includes any income under section 115AD(*1*)(*a*) of the said Act.	No surcharge on income-tax computed on that part of income as referred to in section 115AD(*1*)(*a*) of the said Act.

(*5*) For the purposes of sub-section (*4*), in respect of the persons mentioned in column B of the Table below, having total income chargeable to tax under sub-section (*1A*) of section 115BAC or section 115JB or section 115JC of the said Act, as the case may be, and such income exceeds the amount as specified in column C of the said Table but does not exceed the amount specified in column D thereof, the total amount payable as income-tax and surcharge thereon shall not exceed the amount determined as per the following formula:—

To = Ro + So

where,—

To = the total amount beyond which the total amount payable as income-tax and surcharge thereon shall not exceed;

Ro = the total amount payable as income-tax and surcharge, if applicable, on an amount as specified in column C of the Table below; and

So = the total income – amount as specified in column C of the said Table.

TABLE

Sl. No.	Person specified in Table below clause (*b*) of sub-section (*4*)	Amount	Amount
A	B	C	D
1.	Persons specified against Sl. Nos. 1 and 2 in column C.	Rs. 50,00,000.	Rs. 1,00,00,000.
		Rs. 1,00,00,000.	Rs. 2,00,00,000.
		Rs. 2,00,00,000.	Rs. 5,00,00,000.
		Rs. 5,00,00,000.	-
2.	Person specified against Sl. No. 3 in column C.	Rs. 50,00,000.	Rs. 1,00,00,000.
		Rs. 1,00,00,000.	-

A	B	C	D
3.	Person specified against Sl. No. 4 in column C.	Rs. 1,00,00,000.	Rs. 10,00,00,000.
		Rs. 10,00,00,000.	-
4.	Person specified against Sl. No. 5 in column C.	Rs. 1,00,00,000.	-
5.	Persons specified against Sl. Nos. 6 and 7 in column C.	Rs. 1,00,00,000.	Rs. 10,00,00,000.
		Rs. 10,00,00,000.	-
6.	Persons specified against Sl. Nos. 10 and 11 in column C.	Rs. 50,00,000.	Rs. 1,00,00,000.
		Rs. 1,00,00,000.	Rs. 2,00,00,000.
		Rs. 2,00,00,000.	-

(*6*) The amount of income-tax as specified in sub-sections (*1*) to (*5*) and as increased by the applicable surcharge, for the purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the "Health and Education Cess on income-tax", calculated at the rate of four per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education.

(*7*) For the purposes of this section and Parts I-A and IV-A of the First Schedule,—

(*a*) "domestic company" means an Indian company or any other company which, in respect of its income liable to income-tax under the said Act for the assessment year commencing on the 1st day of April, 2026, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

(*b*) "net agricultural income" in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV-A of the First Schedule;

(*c*) all other words and expressions used in this section and Parts I-A and IV-A of the First Schedule but not defined in this sub-section and defined in the said Act shall have the meanings, respectively, assigned to them in said Act.

Income-tax under Act 30 of 2025.

3. (*1*) Subject to the provisions of sub-sections (*2*), (*3*), (*4*) and (*5*), for the tax year commencing on the 1st day of April, 2026, income-tax shall be charged under the provisions of the Income-tax Act, 2025 (herein referred to as the said Act) at the rates specified in Part I-B of the First Schedule and such tax shall be increased by a surcharge, for the purposes of the Union, calculated in each case in the manner provided therein.

(*2*)(*a*) Where an assessee as specified in column B of the Table below, has, in the tax year, any agricultural net income exceeding ₹ 5000, in addition to the total income, and the total income exceeds the maximum amount not chargeable to income-tax as specified in column C of the said Table, in respect of the said assessee, the net agricultural income shall be taken into account only for the purpose of charging income-tax in respect of the total income.

TABLE

Sl. No.	Assessee	Maximum amount not chargeable to income-tax
A	B	C
1.	(*i*) Every individual other than the individual referred to in Sl. No. 2 or 3; or (*ii*) Hindu undivided family; or (*iii*) association of persons or body of individuals, whether incorporated or not; or (*iv*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, not being an assessee to which Paragraph B, C, D or E of Part I-B of the First Schedule applies or to whom Sl. No. 4 applies.	₹ 250000.
2.	Every individual, being a resident in India, who is of the age of sixty or more but less than eighty years at any time during the tax year.	₹ 300000.
3.	Every individual, being a resident in India, who is of the age of eighty years or more at any time during the tax year.	₹ 500000.
4.	Assessee whose income is chargeable to tax under section 202 of the said Act.	₹ 400000.

(*b*) For the purposes of clause (*a*), the income-tax chargeable shall be computed as per the following formula:—

Zn = Xn – Yn

where,—

Zn = the income-tax chargeable for the purposes of clause (*a*);

Xn = the amount of income-tax determined in respect of the Aggregate Income (AIn) at the rates specified in Paragraph A of Part I-B of the First Schedule or section 202 of the said Act, as if such AIn were the total income; and

Yn = the amount of income-tax determined in respect of the net agricultural income increased by a sum as specified in column C of the Table mentioned in clause (*a*) at the rates specified in the said Paragraph A or section 202 of the said Act, as if the net agricultural income as so increased were the total income;

Aggregate Income (AIn) = Total income + Net agricultural income.

(*3*) In cases to which the provisions of Part A, B, C or D of Chapter XIII or section 207 to 218, 223, 224, 307, 308, 311 or 334 of the said Act apply, the tax chargeable shall be determined—

(*i*) as provided in that Chapter or that section; and

(*ii*) with reference to the rates imposed by sub-section (*1*) or the rates as specified in that Chapter or section, as the case may be.

(*4*) For the purposes of sub-section (*3*),—

(*a*) the amount of income-tax computed in accordance with the provisions of section 196, 197 or 198 of the said Act shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph F of Part I-B of the First Schedule, except in case of—

(*i*) a domestic company whose income is chargeable to tax under section 200 or 201 of the said Act;

(*ii*) an individual or Hindu undivided family or association of persons, or body of individuals, whether incorporated or not, or an artificial juridical person referred to in section 2(*77*)(*g*) of the said Act whose income is chargeable to tax under section 202 of the said Act; or

(*iii*) a co-operative society resident in India, whose income is chargeable to tax under section 203 or 204 of the said Act;

(*b*) in respect of income chargeable to tax under the section as specified in column B of the Table below, in the case of a person as specified in column C of the said Table, the amount of income-tax computed shall be increased by a surcharge, for the purposes of the Union, calculated at the rate or rates as specified in column D of the said Table, of such income-tax.

TABLE

Sl. No.	Section	Person	Rate of surcharge
A	B	C	D
1.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, not having any income under section 210 of the said Act, and not having any income chargeable to tax under section 202 of the said Act.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the total income exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%; (*iv*) where the total income exceeds ₹ 50000000, at the rate of 37%.

A	B	C	D
2.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	(*i*) Every individual; or (*ii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iii*) body of individuals, whether incorporated or not; or (*iv*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, having any income under section 210 of the said Act, and not having any income chargeable to tax under section 202 of the said Act.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the total income [excluding dividend income or short-term or long-term capital gains as referred to in section 210(*1*) [Table: Sl. Nos. 2 to 5] of the said Act] exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%; (*iv*) where the total income [excluding dividend income or short-term or long-term capital gains as referred to in section 210(*1*) [Table: Sl. Nos. 2 to 5] of the said Act] exceeds ₹ 50000000, at the rate of 37%; (*v*) Where the total income [including dividend income or short-term or long-term capital gains as referred to in section 210(*1*) [Table: Sl. Nos. 2 to 5] of the said Act] exceeds ₹ 20000000, but is not covered in clauses (*iii*) and (*iv*), at the rate of 15%; (*vi*) where the total income includes any dividend income or short-term or long-term capital gains as referred to in section 210(*1*) [Table: Sl. Nos. 2 to 5] of the said Act the rate of surcharge on the income-tax calculated on that part of income shall not exceed 15% and the provisions of clause (*i*) or (*ii*), as the case may be, shall apply accordingly.

A	B	C	D
3.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Association of persons consisting of only companies as its members.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000, at the rate of 15%.
4.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Every co-operative society except such co-operative society whose income is chargeable to tax under section 203 or 204 of the said Act.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 12%.
5.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Every firm or local authority.	Where the total income exceeds ₹ 10000000, at the rate of 12%.
6.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Every domestic company except such domestic company whose income is chargeable to tax under section 200 or 201 of the said Act.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 12%.
7.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Every company, other than a domestic company.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 2%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 5%.
8.	195(*I*)(*i*).	Any assessee.	25%.
9.	200 or 201.	Every domestic company.	10%.
10.	202.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or	(*i*) Where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income (including dividend income or capital gains under the

A	B	C	D
		(*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act.	provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the total income (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000, at the rate of 25%; (*iv*) where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000, but is not covered in clause (*iii*), at the rate of 15%; (*v*) where the total income includes any dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act, the rate of surcharge on the income-tax in respect of that part of income shall not exceed 15% and the provisions of clause (*i*) or (*ii*), as the case may be, shall apply accordingly.
11.	202.	Association of persons consisting of only companies as its members.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000, at the rate of 15%.
12.	203 or 204.	Every co-operative society resident in India.	10%.
13.	210(*1*) [Table: Sl. No. 1].	Specified fund, referred to in Schedule VI [Note 1(*g*)] of the said Act, whose income includes any income under section 210(*1*) [Table: Sl. No. 1] of the said Act.	No surcharge on income-tax computed on that part of income as referred to in section 210(*1*) [Table: Sl. No. 1] of the said Act.

(*5*) For the purposes of sub-section (*4*), in respect of the persons mentioned in column B of the Table below, having total income chargeable to tax under section 202, 206(*1*) or 206(*2*) of the said Act, as the case may be, and such income exceeds the amount as specified in column C of the said Table but does not exceed the amount specified in column D thereof, the total amount payable as income-tax and surcharge thereon shall not exceed the amount determined as per the following formula:—

Tn = Rn + Sn

where,—

Tn = the total amount beyond which the total amount payable as income-tax and surcharge thereon shall not exceed;

Rn = the total amount payable as income-tax and surcharge, if applicable, on an amount as specified in column C of the Table below; and

Sn = the total income – amount as specified in column C of the said Table.

TABLE

Sl. No.	Person specified in Table below clause (*b*) of sub-section (*4*)	Amount	Amount
A	B	C	D
1.	Persons specified against Sl. Nos. 1 and 2 in column C.	₹ 5000000.	₹ 10000000.
		₹ 10000000.	₹ 20000000.
		₹ 20000000.	₹ 50000000.
		₹ 50000000.	-
2.	Person specified against Sl. No. 3 in column C.	₹ 5000000.	₹ 10000000.
		₹ 10000000.	-
3.	Person specified against Sl. No. 4 in column C.	₹ 10000000.	₹ 100000000.
		₹ 100000000.	-
4.	Person specified against Sl. No. 5 in column C.	₹ 10000000.	-
5.	Persons specified against Sl. Nos. 6 and 7 in column C.	₹ 10000000.	₹ 100000000.
		₹ 100000000.	-
6.	Persons specified against Sl. Nos. 10 and 11 in column C.	₹ 5000000.	₹ 10000000.
		₹ 10000000.	₹ 20000000.
		₹ 20000000.	-

(*6*) In cases in which tax has to be charged and paid under section 69 or section 170(*5*) or section 352 of the said Act, the tax shall be charged and paid at the rates as specified in those sections and shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of 12% of such tax.

(*7*) In cases in which tax has to be deducted under the sections as specified in column B of the Table below, the deductions shall be made at the rates specified in column C of the said Table, in respect of the persons specified in column D of the said Table, and shall be increased by a surcharge, for the purposes of the Union, calculated at the rate or rates as specified in column E of the said Table, of such tax.

TABLE

Sl. No.	Section under which tax has to be deducted	Rates on which deduction is to be made	Person in respect of which deduction has to be made	Rate of surcharge
A	B	C	D	E
1.	(*i*) 393(*1*) [Table: Sl. Nos. 1(*i*) and 5]; (*ii*) 393(*2*) [Table: Sl. Nos. 7, 8, 9 and 17]; and (*iii*) 393(*3*) [Table: Sl. Nos. 1, 2 and 3], at the rates in force.	Rates specified in Part II of the First Schedule.	Person to whom the section as specified in column B applies.	Calculated in cases wherever prescribed, in the manner as provided in Part II of the First Schedule.
2.	(*i*) 392(*7*); (*ii*) 393(*1*) [Table: Sl. Nos. 1(*ii*), 2, 3, 4, 6, 7, 8(*i*), 8(*ii*), 8(*iv*), 8(*v*) and 8(*vi*)]; (*iii*) 393(*2*) [Table: Sl. Nos. 1 to 6, 10, 11 to 14, 15 and 16]; and (*iv*) 393(*3*) [Table: Sl. Nos. 4 to 7].	Rates specified in sections referred to in column B.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act,	(*i*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%;

A	B	C	D	E
			being a non-resident, except in case of deduction on dividend income under section 393(*2*) [Table: Sl. Nos. 15 and 16] of the said Act or where the income of the person is chargeable to tax under section 202 of the said Act.	(*iii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%; (*iv*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 50000000, at the rate of 37%.
3.	(*i*) 392(*7*); (*ii*) 393(*1*) [Table: Sl. Nos. 1(*ii*), 2, 3, 4, 6, 7, 8(*i*), 8(*ii*), 8(*iv*), 8(*v*) and 8(*vi*)]; (*iii*) 393(*2*) [Table: Sl. Nos. 1 to 6, 10, 11 to 14, 15 and 16]; and (*iv*) 393(*3*) [Table: Sl. Nos. 4 to 7].	Rates specified in sections referred to in column B.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, being a non-resident, where the income of the person is chargeable to tax under section 202 of the said Act except in case of deduction on dividend income under section 393(*2*) [Table: Sl. Nos. 15 and 16] of the said Act.	(*i*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 20000000, at the rate of 25%.

A	B	C	D	E
4.	(*i*) 392(*7*); (*ii*) 393(*1*) [Table: Sl. Nos. 1(*ii*), 2, 3, 4, 6, 7, 8(*i*), 8(*ii*), 8(*iv*), 8(*v*) and 8(*vi*)]; (*iii*) 393(*2*) [Table: Sl. Nos. 1 to 6, 10, 11 to 14, 15 and 16]; and (*iv*) 393(*3*) [Table: Sl. Nos. 4 to 7].	Rates specified in sections referred to in column B.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, being a non-resident, in case of deduction on dividend income under section 393(*2*) [Table: Sl. Nos. 15 and 16] of the said Act.	(*i*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000, at the rate of 15%.
5.	(*i*) 392(*7*); (*ii*) 393(*1*) [Table: Sl. Nos. 1(*ii*), 2, 3, 4, 6, 7, 8(*i*), 8(*ii*), 8(*iv*), 8(*v*) and 8(*vi*)]; (*iii*) 393(*2*) [Table: Sl. Nos. 1 to 6, 10, 11 to 14, 15 and 16]; and (*iv*) 393(*3*) [Table: Sl. Nos. 4 to 7].	Rates specified in sections referred to in column B.	Association of persons, being a non-resident, and consisting of only companies as its members.	(*i*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000, at the rate of 15%.

A	B	C	D	E
6.	(*i*) 392(*7*); (*ii*) 393(*1*) [Table: Sl. Nos. 1(*ii*), 2, 3, 4, 6, 7, 8(*i*), 8(*ii*), 8(*iv*), 8(*v*) and 8(*vi*)]; (*iii*) 393(*2*) [Table: Sl. Nos. 1 to 6, 10, 11 to 14, 15 and 16]; and (*iv*) 393(*3*) [Table: Sl. Nos. 4 to 7].	Rates specified in sections referred to in column B.	Every co-operative society, being a non-resident.	(*i*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 100000000, at the rate of 12%.
7.	(*i*) 392(*7*); (*ii*) 393(*1*) [Table: Sl. Nos. 1(*ii*), 2, 3, 4, 6, 7, 8(*i*), 8(*ii*), 8(*iv*), 8(*v*) and 8(*vi*)]; (*iii*) 393(*2*) [Table: Sl. Nos. 1 to 6, 10, 11 to 14, 15 and 16]; and (*iv*) 393(*3*) [Table: Sl. Nos. 4 to 7].	Rates specified in sections referred to in column B.	Every firm, being a non-resident.	Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000, at the rate of 12%.
8.	(*i*) 392(*7*); (*ii*) 393(*1*) [Table: Sl. Nos. 1(*ii*), 2, 3, 4, 6, 7, 8(*i*), 8(*ii*), 8(*iv*), 8(*v*) and 8(*vi*)]; (*iii*) 393(*2*) [Table: Sl. Nos. 1 to 6, 10, 11 to 14, 15 and 16]; and	Rates specified in sections referred to in column B.	Every company, other than a domestic company.	(*i*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 2%;

A	B	C	D	E
	(*iv*) 393(*3*) [Table: Sl. Nos. 4 to 7].			(*ii*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 100000000, at the rate of 5%.

(*8*) In cases in which tax has to be collected under section 393(*1*) [Table: Sl. No. 8(*iv*). Note 2, Sl. No. 8(*iv*). Note 6 and Sl. No. 8(*vi*). Note 6] and 393(*3*) [Table: Sl. No. 1. Note 2 and Sl. No. 2. Note 2] of the said Act, the collection shall be made at the rates specified in Part II of the First Schedule, and shall be increased by a surcharge, for the purposes of the Union, calculated, in cases wherever prescribed, in the manner provided therein.

(*9*) In cases as specified in column B of the Table below, in which tax has to be collected under section 394(*1*) of the said Act, the collection shall be made at the rates specified in that section and shall be increased by a surcharge, for the purposes of the Union, calculated at the rate or rates specified in column C of the said Table, of such tax.

TABLE

Sl. No.	Person, in respect of which collection has to be made	Rate of surcharge
A	B	C
1.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, being a non-resident, except in case where the income of such person is chargeable to tax under section 202 of the said Act.	(*i*) Where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection, exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%; (*iv*) where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 50000000, at the rate of 37%.

A	B	C
2.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, being a non-resident, where the income of such person is chargeable to tax under section 202 of the said Act.	(*i*) Where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection, exceeds ₹ 20000000, at the rate of 25%.
3.	Association of persons, being a non-resident, and consisting of only companies as its members.	(*i*) Where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection, exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 10000000, at the rate of 15%.
4.	Every co-operative society, being a non-resident.	(*i*) Where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 100000000, at the rate of 12%.
5.	Every firm, being a non-resident.	Where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 10000000, at the rate of 12%.

A	B	C
6.	Every company, other than a domestic company.	(*i*) Where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 2%; (*ii*) where the amount or the aggregate of such amounts collected or likely to be collected and subject to the collection exceeds ₹ 100000000, at the rate of 5%.

(*10*) Subject to the provisions of sub-section (*14*), in cases in which,—

(*i*) income-tax has to be charged under section 316(*5*), 317(*2*), 318, 319 or 320(*2*) of the said Act;

(*ii*) income-tax has to be deducted from, or paid on, income chargeable under the head "Salaries" under section 392 (other than sub-section (*7*) of the said section) of the said Act;

(*iii*) income-tax has to be deducted under section 393(*1*) [Table: Sl. No. 8(*iii*)] of the said Act; or

(*iv*) the "advance tax" payable under Chapter XIX-C of the said Act has to be computed at the rate or rates in force,

such income-tax or, as the case may be, "advance tax" shall be charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax shall be increased by a surcharge, for the purposes of the Union, calculated in such cases and in such manner as provided therein.

(*11*) For the purposes of sub-section (*10*), in cases to which the provisions of Part A, B, C or D of Chapter XIII or sections 207 to 218, 223, 224, 307, 308, 311 or 334 of the said Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section and sub-sections (*10*), (*12*) and (*13*) or the rates as specified in that Chapter or section, as the case may be.

(*12*) For the purposes of sub-sections (*10*) and (*11*),—

(*a*) the amount of "advance tax" computed in accordance with the provisions of section 196, 197 or 198 of the said Act shall be increased by a surcharge, for the purposes of the Union, as provided in Paragraph F of Part III of the First Schedule, except in case of,—

(*i*) a domestic company whose income is chargeable to tax under section 200 or 201 of the said Act;

(*ii*) an individual or Hindu undivided family or association of persons, or body of individuals, whether incorporated or not, or an artificial juridical person referred to in section 2(*77*)(*g*) of the said Act whose income is chargeable to tax under section 202 of the said Act; or

(*iii*) a co-operative society resident in India, whose income is chargeable to tax under section 203 or 204 of the said Act;

(*b*) in respect of income chargeable to tax under the section as specified in column B of the Table below, in the case of a person as specified in column C of the said Table, the amount of "advance tax" computed shall be increased by a surcharge, for the purposes of the Union, calculated at the rate or rates as specified in column D of the said Table, of such "advance tax".

TABLE

Sl. No.	Section	Person	Rate of surcharge
A	B	C	D
1.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, not having any income under section 210 of the said Act, and not having any income chargeable to tax under section 202 of the said Act.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the total income exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%; (*iv*) where the total income exceeds ₹ 50000000, at the rate of 37%.
2.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	(*i*) Every individual; or (*ii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iii*) body of individuals, whether incorporated or not; or (*iv*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, having any income under section 210 of the said Act and not having any income chargeable to tax under section 202 of the said Act.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the total income [excluding dividend income or short-term or long-term capital gains as referred to in section 210(*1*) [Table: Sl. Nos. 2 to 5] of the said Act] exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%;

A	B	C	D
			(*iv*) where the total income [excluding dividend income or short-term or long-term capital gains as referred to in section 210(*1*) [Table: Sl. Nos. 2 to 5] of the said Act] exceeds ₹ 50000000, at the rate of 37%; (*v*) where the total income [including dividend income or short-term or long-term capital gains as referred to in section 210(*1*) [Table: Sl. Nos. 2 to 5] of the said Act] exceeds ₹ 20000000, but is not covered in clauses (*iii*) and (*iv*), at the rate of 15%; (*vi*) where the total income includes any dividend income or short-term or long-term capital gains as referred to in section 210(*1*) [Table: Sl. Nos. 2 to 5] of the said Act, the rate of surcharge on the advance tax computed on that part of income shall not exceed 15% and the provisions of clause (*i*) or (*ii*), as the case may be, shall apply accordingly.
3.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Association of persons consisting of only companies as its members.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000, at the rate of 15%.
4.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Every co-operative society except such co-operative society whose income is chargeable to tax under section 203 or 204 of the said Act.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 12%.

A	B	C	D
5.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Every firm or local authority.	Where the total income exceeds ₹ 10000000, at the rate of 12%.
6.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Every domestic company except such domestic company whose income is chargeable to tax under section 200 or 201 of the said Act.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 12%.
7.	193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334.	Every company, other than a domestic company.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 2%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 5%.
8.	195(*1*)(*i*).	Any assessee.	25%.
9.	200 or 201.	Every domestic company.	10%.
10.	202.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act.	(*i*) Where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%;

A	B	C	D
			(*iii*) where the total income (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000, at the rate of 25%; (*iv*) where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000, but is not covered in clause (*iii*), at the rate of 15%; (*v*) where the total income includes any dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act, the rate of surcharge on the "advance tax" in respect of that part of income shall not exceed 15% and the provisions of clause (*i*) or (*ii*), as the case may be, shall apply accordingly.
11.	202.	Association of persons consisting of only companies as its members.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000, at the rate of 15%.
12.	203 or 204.	Every co-operative society resident in India.	10%.
13.	210(*1*) [Table: Sl. No. 1].	Specified fund, referred to in Schedule VI [Note 1(*g*)] of the said Act, whose income includes any income under section 210(*1*) [Table: Sl. No. 1] of the said Act.	No surcharge on advance tax computed on that part of income as referred to in section 210(*1*) [Table: Sl. No. 1] of the said Act.

(*13*) For the purposes of sub-section (*12*), in respect of the persons mentioned in column B of the Table below, having total income chargeable to tax under section 202, 206(*1*) or 206(*2*) of the said Act, as the case may be, and such income exceeds the amount as specified in column C of the said Table but does not exceed the amount specified in column D thereof, the total amount payable as "advance tax" on such income and surcharge thereon shall not exceed the amount determined as per the following formula:—

Ta = Ra + Sa

where,—

Ta = the total amount beyond which the total amount payable as "advance tax" on total income chargeable to tax under section 202, 206(*1*) or 206(*2*) of the said Act, as the case may be, and surcharge thereon shall not exceed;

Ra = the total amount payable as income-tax and surcharge, if applicable, on an amount as specified in column C of the Table below; and

Sa = the total income – amount as specified in column C of the said Table.

TABLE

Sl. No.	Person specified in Table below clause (*b*) of sub-section (*12*)	Amount	Amount
A	B	C	D
1.	Persons specified against Sl. Nos. 1 and 2 in column C.	₹ 5000000.	₹ 10000000.
		₹ 10000000.	₹ 20000000.
		₹ 20000000.	₹ 50000000.
		₹ 50000000.	-
2.	Person specified against Sl. No. 3 in column C.	₹ 5000000.	₹ 10000000.
		₹ 10000000.	-
3.	Person specified against Sl. No. 4 in column C.	₹ 10000000.	₹ 100000000.
		₹ 100000000.	-
4.	Person specified against Sl. No. 5 in column C.	₹ 10000000.	-
5.	Persons specified against Sl. Nos. 6 and 7 in column C.	₹ 10000000.	₹ 100000000.
		₹ 100000000.	-
6.	Persons specified against Sl. Nos. 10 and 11 in column C.	₹ 5000000.	₹ 10000000.
		₹ 10000000.	₹ 20000000.
		₹ 20000000.	-

(*14*)(*a*) Where an assessee, as specified in column B of the Table below, has, in the tax year, if by virtue of any provision of the said Act, income-tax is to be charged in respect of the income of a period other than the tax year, in such other period, any net agricultural income exceeding ₹ 5000 in addition to the total income, which exceeds the maximum amount not chargeable to income-tax, as specified in column C of the said Table, in respect of the said assessee, then, in

charging income-tax under section 317(*2*) or 318 or 319 or 320(*2*) of the said Act or in computing the "advance tax" payable under Chapter XIX-C of the said Act, at the rate or rates in force, the net agricultural income shall be taken into account, only for the purpose of charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income.

TABLE

Sl. No.	Assessee	Maximum amount not chargeable to income-tax
A	B	C
1.	(*i*) Every individual other than the individual referred to in Sl. No. 2 or 3; or (*ii*) Hindu undivided family; or (*iii*) association of persons or body of individuals, whether incorporated or not; or (*iv*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, not being an assessee to which Paragraph B, C, D or E of Part I-B of the First schedule applies or to whom Sl. No. 4 applies.	₹ 250000.
2.	Every individual, being a resident in India, who is of the age of sixty or more but less than eighty years at any time during the tax year.	₹ 300000.
3.	Every individual, being a resident in India, who is of the age of eighty years or more at any time during the tax year.	₹ 500000.
4.	Assessee whose income is chargeable to tax under section 202 of the said Act.	₹ 400000.

(*b*) For the purposes of clause (*a*), the income-tax or, as the case may be, "advance tax" chargeable shall be computed as per the following formula:—

$$Za = Xa - Ya$$

where,—

Za = the income-tax or, as the case may be, "advance tax" chargeable for the purposes of clause (*a*);

Xa = the amount of income-tax or "advance tax" determined in respect of the Aggregate Income (AIa) at the rates specified in Paragraph A of Part III of the First Schedule or section 202 of the said Act, as if such AIn were the total income; and

Ya = the amount of income-tax or "advance tax" determined in respect of the net agricultural income increased by a sum as specified in column C of the Table in clause (*a*) at the rates specified in the said Paragraph A or section 202 of the said Act, as if the net agricultural income as so increased were the total income;

Aggregate Income (AIa) = Total income + Net agricultural income.

(*c*) The amount of income-tax or "advance tax" so arrived at, shall be increased by a surcharge for the purposes of the Union, calculated in each case, in the manner provided in this section or Paragraph F [(Table 1: Sl. Nos. 1 and 2) and (Table 2: Sl. Nos. 1 and 2)] of Part III of the First Schedule.

(*15*) The amount of income-tax as specified in sub-sections (*1*) to (*5*) and as increased by the applicable surcharge, for the purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the "Health and Education Cess on income-tax", calculated at the rate of 4% of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education.

(*16*) The amount of income-tax as specified in sub-sections (*6*) to (*14*) and as increased by the applicable surcharge, for the purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the "Health and Education Cess on income-tax", calculated at the rate of 4% of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education.

(*17*) The provisions of sub-section (*16*) shall not apply—

(*i*) to cases in which tax is to be deducted or collected under the sections of the said Act mentioned in sub-sections (*7*), (*8*) and (*9*), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India;

(*ii*) in respect of income-tax as specified in sub-sections (*10*) to (*13*), calculated on income, referred to in section 210(*1*) [Table: Sl. No. 1] of the said Act, of specified fund referred to in Schedule VI [Note 1(*g*)] of the said Act.

(*18*) For the purposes of this section and Parts I-B, II, III and IV-B of the First Schedule,—

(*a*) "domestic company" means an Indian company or any other company which, in respect of its income liable to income-tax under the said Act, for the tax year commencing on the 1st April, 2026, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

(*b*) "insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(*c*) "net agricultural income" in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV-B of the First Schedule;

(*d*) all other words and expressions used in this section and Parts I-B, II, III and IV-B of the First Schedule but not defined in this sub-section and defined in the said Act shall have the meanings, respectively, assigned to them in the said Act.

CHAPTER III

DIRECT TAXES

A.— Income-tax under the Income-tax Act, 1961

Amendment of section 92CA.

4. In section 92CA of the Income-tax Act, 1961 (hereafter in this Part referred to as the Income-tax Act), after sub-section (*3A*), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2007, namely:— 43 of 1961.

"(*3AA*). Notwithstanding anything contained in any judgment, order or decree of any court, for the purposes of making order under sub-section (*3*), the calculation of sixty days shall be made and shall always be deemed to have been made in the following manner, namely:—

(*a*) where the period of limitation expires on 31st of March of any year (not being a leap year), the order under sub-section (*3*) may be made up to the 30th of January of that year;

(*b*) where the period of limitation expires on 31st of March of any year (being a leap year), the order under sub-section (*3*) may be made up to the 31st of January of that year;

(*c*) where the period of limitation expires on 31st of December of any year, the order under sub-section (*3*) may be made up to the 1st of November of that year.".

Amendment of section 139.

5. In section 139 of the Income-tax Act, with effect from the 1st day of March, 2026,—

(*a*) in sub-section (*1*), for *Explanation* 2, the following *Explanation* shall be substituted and shall be deemed to have been substituted, namely:—

'*Explanation* 2.—For the purposes of this sub-section, "due date" in respect of the persons mentioned in column B of the Table below, subject to the conditions as mentioned in column C of the said Table, shall be the due date of assessment year as mentioned in column D thereof:—

TABLE

Sl. No.	Person	Conditions	Due date
A	B	C	D
1.	Assessee, including the partners of the firm or the spouse of such partner (if section 5A applies to such spouse).	Where the provisions of section 92E apply.	30th November.
2.	(*i*) Company; (*ii*) Assessee (other than a company) whose accounts are required to be audited under this Act or under any other law for the time being in force; (*iii*) partner of a firm whose accounts are required to be audited under this Act or under any other law for the time being in force or the spouse of such partner (if section 5A applies to such spouse).	Where the provisions of section 92E do not apply.	31st October.

A	B	C	D
3.	(*i*) Assessee having income from profits and gains of business or profession whose accounts are not required to be audited under this Act or under any other law for the time being in force; (*ii*) partner of a firm whose accounts are not required to be audited under this Act or under any other law for the time being in force or the spouse of such partner (if section 5A applies to such spouse).	Where the provisions of section 92E do not apply.	31st August.
4.	Any other assessee.		31st July.';

(*b*) for sub-section (*5*), the following sub-section shall be substituted and shall be deemed to have been substituted, namely:—

"(*5*) If any person, having furnished a return under sub-section (*1*) or sub-section (*4*), discovers any omission or any wrong statement therein, he may, subject to the provisions of section 234-I, furnish a revised return at any time before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.";

(*c*) in sub-section (*8A*),—

(*i*) in the first proviso, in item (*i*), after the words "return of a loss", the words "except in a case referred to in the sixth proviso" shall be inserted;

(*ii*) in the third proviso, in item (*b*), after the words "in his case", the words "except in a case referred to in the eighth proviso" shall be inserted;

(*iii*) in the sixth proviso, after the words "return of income", the words "or such updated return has the effect of reducing the loss" shall be inserted;

(*iv*) after the seventh proviso, the following proviso shall be inserted, namely:—

"Provided also that an updated return may be furnished by a person for the relevant assessment year in pursuance of a notice under section 148 within such period as specified in the said notice and in such a case, the assessee shall be precluded from filing return in pursuance of the said notice in any other manner.".

Amendment of section 140B.

6. In section 140B of the Income-tax Act, after sub-section (*3*), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of March, 2026, namely:—

"(*3A*) Where an updated return is filed in pursuance of a notice issued under section 148 within the period specified in the said notice, the additional income-tax payable under sub-section (*3*) shall be increased by a further sum of ten per cent. of the aggregate of tax and interest payable, as determined in sub-section (*1*) or sub-section (*2*), as the case may be.".

Amendment of section 144B.

7. In section 144B of the Income-tax Act, in sub-section (*6*), in clause (*i*), in sub-clause (*b*), for the words "by affixing digital signature", the words "by way of an electronic communication" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2022.

Amendment of section 144C.

8. In section 144C of the Income-tax Act,—

(*a*) after sub-section (*4*), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2009, namely:—

"(*4A*) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153, for the removal of doubts, it is hereby clarified for the purposes of sub-section (*4*) that where a draft of the proposed order of assessment under sub-section (*1*) is forwarded within the time period allowed under section 153, further time period available to the Assessing Officer to complete the assessment under sub-section (*3*) shall be governed and shall always be deemed to have been governed by the provisions of sub-section (*4*).";

(*b*) after sub-section (*4A*) as so inserted, the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2009, namely:—

"(*4B*) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153B, for the removal of doubts, it is hereby clarified for the purposes of sub-section (*4*) that where a draft of the proposed order of assessment under sub-section (*1*) is forwarded within the time period allowed under section 153B, further time period available to the Assessing Officer to complete the assessment under sub-section (*3*) shall be governed and shall always be deemed to have been governed by the provisions of sub-section (*4*).";

(*c*) after sub-section (*13*), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2009, namely:—

"(*13A*) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153, for the removal of doubts, it is hereby clarified for the purposes of sub-section (*13*) that where a draft of the proposed order of assessment under sub-section (*1*) is forwarded within the time period allowed under section 153, time period available for the Assessing Officer under sub-section (*13*) to pass the assessment order upon receipt of the direction issued under sub-section (*5*), shall be governed and shall always be deemed to have been governed by the provisions of sub-sections (*12*) and (*13*).";

(*d*) after sub-section (*13A*) as so inserted, the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2009, namely:—

"(*13B*) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153B, for the removal of doubts, it is hereby clarified for the purposes of sub-section (*13*) that where a draft of the proposed order of assessment under sub-section (*1*) is forwarded within the time period allowed under section 153B, time period available for the Assessing Officer under sub-section (*13*) to pass the assessment order upon receipt of the direction issued under sub-section (*5*), shall be governed and shall always be deemed to have been governed by the provisions of sub-sections (*12*) and (*13*).".

Insertion of new section 147A.

9. After section 147 of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2021, namely:—

Assessing Officer for purposes of sections 148 and 148A.

"147A. Notwithstanding anything contained in any judgment, order or decree of any court or in section 151A or in any scheme framed thereunder, for the removal of doubts, it is hereby clarified that the Assessing Officer for the purposes of sections 148 and 148A shall mean and shall always be deemed to have meant to be an Assessing Officer other than the National Faceless Assessment Centre or any assessment unit referred to in sub-section (*3*) of section 144B.".

Amendment of section 148.

10. In section 148 of the Income-tax Act, in sub-section (*1*), after the words "specified in the notice,", the words "not being less than thirty days from the date of such notice but" shall be inserted and shall be deemed to have been inserted with effect from the 30th day of March, 2026.

Substitution of new section for section 150.

11. For section 150 of the Income-tax Act, the following section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of February, 2026, namely:—

Provision for cases where assessment is in pursuance of an order on appeal, etc.

"150. (*1*) Notwithstanding anything contained in section 149, the notice under section 148 may be issued at any time for the purpose of making an assessment or reassessment or recomputation, in consequence of, or to give effect to, any finding or direction contained in an order passed by—

(*a*) any authority in any proceeding under this Act by way of appeal, reference or revision; or

(*b*) a court in any proceeding under this Act or any other law.

(*2*) The provisions of sub-section (*1*) shall not apply in any case where the assessment or reassessment or recomputation as is referred to in that sub-section relates to an assessment year in respect of which an assessment or reassessment or recomputation could not have been made, by reason of any other provision limiting the time within which any action for assessment or reassessment or recomputation may be taken, at the time when,—

(*a*) the order which was the subject matter of the appeal, reference or revision, as the case may be, was made; or

(*b*) the proceedings relating to assessment or reassessment or recomputation under this Act (other than those proceedings which have culminated in an order), which was the subject matter before the Court, was initiated.

(*3*) For the purposes of sub-section (*1*), notice under section 148 shall be issued within a period of three months from the end of the quarter in which the certified copy of the order of the authority or the Court, as the case may be, is received by the jurisdictional Principal Commissioner or Commissioner.".

Amendment of section 153.

12. In section 153 of the Income-tax Act, after sub-section (*9*), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2009, namely:—

"(*10*) Notwithstanding anything contained in any judgment, order or decree of any court, for the removal of doubts, it is hereby clarified that in terms of provisions of sub-sections (*1*) to (*4*), the draft of the proposed order of assessment referred to in sub-section (*1*) of section 144C shall be made, and shall always be deemed to have been made, at any time up to the time limit of assessment, reassessment or recomputation referred to in the said sub-sections.".

Amendment of section 153B.

13. In section 153B of the Income-tax Act, after sub-section (*1*), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2009, namely:—

"(*1A*) Notwithstanding anything contained in any judgment, order or decree of any court, for the removal of doubts, it is hereby clarified that in terms of provisions of this section, the draft of the proposed order of assessment referred to in sub-section (*1*) of section 144C shall be made, and shall always be deemed to have been made, at any time up to the time limit of assessment, reassessment or recomputation referred to in this section.".

Amendment of section 220.

14. In section 220 of the Income-tax Act, in sub-section (*2*), after the third proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of March, 2026, namely:—

"Provided also that in respect of any assessment made under section 143 or reassessment made under section 147 on or after the 1st day of April, 2027, no interest shall be charged under this sub-section in respect of any demand raised on account of penalty levied under section 270A—

(*a*) up to the date of passing of the order under section 250;

(*b*) up to the date of passing of the order under section 254, where the assessment or reassessment has been made in pursuance to directions issued by the Dispute Resolution Panel under section 144C.".

Amendment of section 222.

15. In section 222 of the Income-tax Act, in sub-section (*1*), clause (*c*) shall be omitted and shall be deemed to have been omitted with effect from the 30th day of March, 2026.

Insertion of new section 234-I.

16. After section 234H of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted, with effect from the 1st day of March, 2026, namely:—

Fee for furnishing revised return of income.

"234-I. Without prejudice to the provisions of this Act, where any person furnishes a return of income under sub-section (*5*) of section 139, beyond nine months but before twelve months from the end of the relevant assessment year, he shall pay by way of a fee,—

(*a*) a sum of one thousand rupees, if the total income of such person does not exceed five lakh rupees;

(*b*) a sum of five thousand rupees, in any other case.".

Amendment of section 245.

17. In section 245 of the Income-tax Act, in sub-section (*1*), after the words "under this Act", the words and figures "or the Income-tax Act, 2025" shall be inserted and shall be deemed to have been inserted with effect from the 30th day of March, 2026. 30 of 2025.

Amendment of section 245MA.

18. In section 245MA of the Income-tax Act, in sub-section (*2*), for the words "waive any penalty imposable", the words "waive any penalty imposed or imposable" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026.

Amendment of section 254.

19. In section 254 of the Income-tax Act, after sub-section (*3*), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 30th day of March, 2026, namely:—

"(*3A*) For the purposes of sub-section (*3*), where any order is passed under this section on or after the 1st day of October, 2026, the Appellate Tribunal shall send a copy of the order to the jurisdictional Principal Commissioner or Commissioner electronically on the designated portal designed by the Director General or Principal Director General and the provisions relating to time limits under this Act for any appeal, reference or revision shall apply accordingly.".

Amendment of section 270A.

20. In section 270A of the Income-tax Act, after sub-section (*11*), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of March, 2026, namely:—

"(*11A*) Where additional income-tax is paid in accordance with sub-section (*3A*) of section 140B, the income on which such additional income-tax is paid shall not form the basis of imposition of penalty under this section.".

Amendment of section 270AA.

21. In section 270AA of the Income-tax Act, for sub-sections (*1*) to (*3*), the following sub-sections shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026, namely:—

"(*1*) An assessee may make an application to the Assessing Officer to grant immunity from imposition or, as the case may be, waiver of penalty under section 270A and immunity from initiation of proceedings under section 276C or section 276CC, if he fulfils the following conditions, namely:—

(*a*) the tax and interest payable as per the order of assessment under sub-section (*3*) of section 143 or reassessment under section 147 has been paid within the period specified in the notice of demand;

(*b*) where penalty has been levied or, as the case may be, leviable under the circumstances referred to in sub-section (*9*) of section 270A, additional income-tax amounting to one hundred per cent. of the amount of tax payable on under-reported income has been paid within the period specified in the notice of demand, *in lieu* of such penalty; and

(*c*) no appeal has been filed against the order referred to in clauses (*a*) and (*b*).

(*2*) An application referred to in sub-section (*1*) shall be made within one month from the end of the month in which the order referred to in clause (*a*) and clause (*b*) of the said sub-section has been received by the assessee, in such form and verified in such manner, as may be prescribed.

(*3*) The Assessing Officer shall, on fulfilment of the conditions specified in sub-section (*1*) and after the expiry of the period of filing the appeal as specified in clause (*b*) of sub-section (*2*) of section 249, grant immunity from imposition or, as the case may be, waiver of penalty under section 270A and initiation of proceedings under section 276C or section 276CC.

(*3A*) No immunity or, as the case may be, waiver under sub-section (*3*) shall be granted where any proceedings has been initiated under Chapter XXII.".

Amendment of section 274.

22. In section 274 of the Income-tax Act, with effect from the 1st day of March, 2026,—

(*a*) in sub-section (*1*), after the words "a reasonable opportunity of being heard", the words "by way of a show cause notice to that effect" shall be inserted and shall be deemed to have been inserted;

(*b*) after sub-section (*3*), the following sub-sections shall be inserted and shall be deemed to have been inserted, namely:—

"(*4*) Notwithstanding anything contained in any other provision of this Act, where any draft of the proposed order of assessment under section 144C or assessment under section 143 or reassessment under section 147 is made on or after 1st April, 2027 in respect of the assessment year 2026-2027 or any earlier assessment year,—

(*a*) the penalty under section 270A, if any, shall constitute part of such draft assessment or shall be imposed as a part of such order of assessment or reassessment, as the case may be; and

(*b*) the reference to the assessment order or the penalty order under section 270A in any of the provisions of this Act shall take reference to such order of assessment or reassessment, as the case may be.

(*5*) Where the approval of the Joint Commissioner is taken for passing of an order of assessment or reassessment on or after the 1st April, 2027, such approval shall also be deemed to be the approval for the imposition of penalty under section 270A, if any, constituting part of such order of assessment or reassessment.".

Amendment of section 275A.

23. In section 275A of the Income-tax Act, with effect from the 1st day of March, 2026,—

(*a*) for the marginal heading, the following marginal heading shall be substituted and shall be deemed to have been substituted, namely:—

"Contravention of order made during search action.";

(*b*) for the words "rigorous imprisonment which may extend to two years and shall also be liable to fine", the words "simple imprisonment for a term up to two years and with fine" shall be substituted and shall be deemed to have been substituted.

Amendment of section 275B.

24. In section 275B of the Income-tax Act, with effect from the 1st day of March, 2026,—

(*a*) for the marginal heading, the following marginal heading shall be substituted and shall be deemed to have been substituted, namely:—

"Failure to afford facility for inspection of books of account during search.";

(*b*) for the words "rigorous imprisonment for a term which may extend to two years and shall also be liable to fine", the words "simple imprisonment for a term up to six months, or with fine, or with both" shall be substituted and shall be deemed to have been substituted.

Amendment of section 276.

25. In section 276 of the Income-tax Act, for the words "rigorous imprisonment for a term which may extend to two years and shall also be liable to fine", the words "simple imprisonment for a term up to two years and with fine" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026.

Substitution of new sections for sections 276B, 276BB, 276C, 276CC, 276CCC and 276D.

26. For sections 276B, 276BB, 276C, 276CC, 276CCC and 276D of the Income-tax Act, the following sections shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026, namely:—

Failure to pay tax to credit of Central Government under Chapter XII-D or XVII-B.

"276B. If a person fails to—

(*a*) pay to the credit of the Central Government, the tax deducted at source by him as required by or under the provisions of Chapter XVII-B; or

(*b*) pay tax or ensure payment of tax to the credit of the Central Government, as required by or under—

(*i*) the proviso to sub-section (*1*) of section 194S in relation to consideration for transfer of virtual digital asset, excluding such consideration which is wholly in kind; or

(*ii*) sub-section (*2*) of section 194BA in relation to winnings, excluding such winnings which are wholly in kind,

he shall be punishable—

(*i*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or

(*ii*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*iii*) with fine, in any other case:

Provided that the provisions of this section shall not apply, if the payment referred to in clause (*a*) has been made to the credit of the Central Government at any time on or before the time prescribed for filing the statement for such payment under sub-section (*3*) of section 200.

Failure to pay tax collected at source.

276BB. If a person fails to pay to the credit of the Central Government, the tax collected by him as required under the provisions of section 206C, he shall be punishable—

(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case:

Provided that the provisions of this section shall not apply, if the payment of the tax collected at source has been made to the credit of the Central Government at any time on or before the time prescribed for filing the statement under the proviso to sub-section (*3*) of section 206C in respect of such payment.

Wilful attempt to evade tax, etc.

276C. (*1*) If a person wilfully attempts in any manner to evade any tax, penalty or interest chargeable or imposable, or under-reports his income, under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable—

(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded or tax on under-reported income exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded or tax on under-reported income exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case.

(*2*) If a person wilfully attempts in any manner to evade the payment of any tax, penalty or interest under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable—

(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case.

Explanation.—For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof shall include a case where any person—

(*a*) has in his possession or control any books of account or other documents (being books of account or other documents relevant to any proceeding under this Act) containing a false entry or statement; or

(*b*) makes or causes to be made any false entry or statement in such books of account or other documents; or

(*c*) wilfully omits or causes to be omitted any relevant entry or statement in such books of account or other documents; or

(*d*) causes any other circumstance to exist which shall have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.

Failure to furnish returns of income.

276CC. If a person wilfully fails to furnish in due time the return of fringe benefits, which he is required to furnish under sub-section (*1*) of section 115WD, or by notice given under sub-section (*2*) of the said section or section 115WH, or the return of income which he is required to furnish under sub-section (*1*) of section 139, or by notice given under clause (*i*) of sub-section (*1*) of section 142, or section 148, or section 153A, he shall be punishable—

(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case:

Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of fringe benefits under sub-section (*1*) of section 115WD or return of income under sub-section (*1*) of section 139—

(*i*) for any assessment year commencing prior to the 1st day of April, 1975; or

(*ii*) for any assessment year commencing on or after the 1st day of April, 1975, if—

(*a*) the return is furnished by him before the expiry of the assessment year or a return is furnished by him under sub-section (*8A*) of section 139 within the time provided in that sub-section; or

(*b*) the tax payable by such person, not being a company, on the total income determined on regular assessment, as reduced by the advance tax or self-assessment tax, if any, paid before the expiry of the assessment year, and any tax deducted or collected at source, does not exceed ten thousand rupees.

Failure to furnish return of income in search cases.

276CCC. If a person wilfully fails to furnish in due time the return of income, setting forth his undisclosed income for the block period, which he is required to furnish by notice given under clause (*a*) of sub-section (*1*) of section 158BC, he shall be punishable—

(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax exceeds fifty lakh rupees; or

(*b*) with simple imprisonment up to six months, or with fine, or with both, where the amount of tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case:

Provided that no person shall be punishable for any failure under this section in respect of search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, after the 30th day of June, 1995 but before the 1st day of January, 1997.

Failure to comply with a direction of special audit or valuation.

276D. If a person wilfully fails to comply with a direction issued to him under sub-section (*2A*) of section 142, he shall be punishable with simple imprisonment for a term up to six months, or with fine, or with both.".

Amendment of section 277.

27. In section 277 of the Income-tax Act, for clauses (*i*) and (*ii*), the following clauses shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026, namely:—

"(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case.".

Amendment of section 277A.

28. In section 277A of the Income-tax Act, for the words "rigorous imprisonment for a term which shall not be less than three months but which may extend to two years and with fine", the words "simple imprisonment for a term up to two years and with fine" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026.

Amendment of section 278.

29. In section 278 of the Income-tax Act, for clauses (*i*) and (*ii*), the following clauses shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026, namely:—

"(*i*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds fifty lakh rupees; or

(*ii*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*iii*) with fine, in any other case.".

Amendment of section 278A.

30. In section 278A of the Income-tax Act, with effect from the 1st day of March, 2026,—

(*a*) for the word "rigorous", the word "simple" shall be substituted and shall be deemed to have been substituted;

(*b*) for the word "seven", the word "three" shall be substituted and shall be deemed to have been substituted.

Amendment of section 280.

31. In section 280 of the Income-tax Act, in sub-section (*1*), for the words "imprisonment which may extend to six months, and shall also be liable to fine", the words "simple imprisonment up to one month, or with fine, or with both" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026.

Insertion of new section 292BA.

32. After section 292B of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2019, namely:—

Assessments not to be invalid on certain grounds.

"292BA. Notwithstanding anything contained in any judgment, order or decree of any court, for the removal of doubts, it is hereby clarified for the purposes of section 292B that no assessment under any of the provisions of this Act shall be invalid or shall be deemed to have been invalid on the ground of any mistake, defect or omission in respect of quoting of a computer generated Document Identification Number, if the assessment order is referenced by such number in any manner.".

Insertion of new section 292BC.

33. After section 292BB of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2021, namely:—

Circumstances in which approvals by income-tax authority not to be invalid.

"292BC. Notwithstanding anything contained in this Act or in any judgment, order or decree of any Court, for the removal of doubts, it is hereby clarified that any approval given by an income-tax authority in relation to any assessment, reassessment or recomputation proceedings under this Act shall be deemed to be administrative and supervisory in nature and shall not be invalid or shall not be deemed to be invalid by reason of any insufficiency of the reasons recorded or by reason of any defect in the form or manner of its authentication or communication including whether digital signature have been appended to such approval or not, where such approval is granted electronically.".

Amendment of Second Schedule.

34. In the Second Schedule to the Income-tax Act, with effect from the 30th day of March, 2026,—

(*i*) in rule 4, clause (*c*) shall be omitted and shall be deemed to have been omitted;

(*ii*) in rule 19, for the words "or to arrest", the word "of" shall be substituted and shall be deemed to have been substituted;

(*iii*) Part V shall be omitted and shall be deemed to have been omitted;

(*iv*) in rule 85, the brackets and words "(except arrest and detention)" shall be omitted and shall be deemed to have been omitted;

(*v*) rule 90 shall be omitted and shall be deemed to have been omitted.

B.—Income-tax under the Income-tax Act, 2025

Amendment of section 2.

35. In section 2 of the Income-tax Act, 2025 (hereafter in this Part referred to as the Income-tax Act), 30 of 2025.—

(*a*) for clause (*32*), the following clause shall be substituted, namely:—

'(*32*) "co-operative society" means a co-operative society registered under the Co-operative Societies Act, 1912, or the Multi-State Co-operative Societies Act, 2002, or under any other law in force in any State or Union territory for the registration of co-operative societies;';

2 of 1912.
39 of 2002.

(*b*) in clause (*40*),—

(*A*) sub-clause (*f*) shall be omitted;

(*B*) in the first long line below sub-clause (*f*) as so omitted, for sub-clause (*v*), the following sub-clause shall be substituted, namely:—

'(*v*) any advance or loan between two group entities, where,—

(*A*) one of the group entities is a "Finance Company" or a "Finance Unit";

(*B*) the other group entity to the transaction is located in a country or territory outside India; and

(*C*) the parent entity or the principal entity of such group is listed on the stock exchange in a country or territory outside India,

for the purposes of items (*B*) and (*C*), the country or territory outside India shall be specified by the Central Government, by notification,';

(*c*) in the second long line below sub-clause (*v*), in sub-clause (*E*), for item (*II*), the following items shall be substituted, namely:—

'(*II*) "group entity" shall have the same meaning as assigned to the expression "group entities" in clause (*m*) of sub-regulation (*1*) of regulation 2 of the International Financial Services Authority (Payment Services) Regulations, 2024 made under the International Financial Services Centres Authority Act, 2019;

50 of 2019.

(*III*) "parent entity" or "principal entity" in relation to one or more other group entities, shall be an entity of which other group entities are subsidiary and such entity,—

(*a*) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiaries; or

(*b*) controls the composition of the Board of Directors;'.

Amendment of section 7.

36. In section 7 of the Income-tax Act, in sub-section (*2*), in clause (*a*), for the brackets and letter "(*f*)", the brackets and letter "(*e*)" shall be substituted.

Amendment of section 21.

37. In section 21 of the Income-tax Act, in sub-section (*5*), for the words "*nil* for", the words "*nil* up to" shall be substituted.

Amendment of section 22.

38. In section 22 of the Income-tax Act, in sub-section (*2*), for the word, brackets, figure and letter "sub-section (*1*)(*b*)", the words, brackets, figure and letters "sub-section (*1*)(*b*) and (*c*)" shall be substituted.

Amendment of section 29.

39. In section 29 of the Income-tax Act, in sub-section (*1*), for clause *(e*), the following clause shall be substituted, namely:—

"(*e*) the amount of contribution received from an employee to which the provisions of section 2(*49*)(*o*) apply, if it is credited by the assessee to the account of the employee in the relevant fund or funds, on or before the due date of filing of return of income under section 263(*1*) for the tax year.".

Amendment of section 58.

40. In section 58 of the Income-tax Act, in sub-section (*11*), in clause (*a*), sub-clause (*i*) shall be omitted.

Amendment of section 66.

41. In section 66 of the Income-tax Act, for clause (*4*), the following clause shall be substituted, namely:—

'(*4*) "commodities transactions tax" and "commodity derivative" shall have the same meanings as respectively assigned to them in Chapter VII of the Finance Act, 2013;'. 17 of 2013.

Amendment of section 69.

42. In section 69 of the Income-tax Act, for sub-sections (*2*) and (*3*), the following sub-sections shall be substituted, namely:—

'(*2*) In respect of capital gains referred to in sub-section (*1*), where a company purchases its own shares or other specified securities in accordance with the provisions of section 68 of the Companies Act, 2013 and the shareholder or holder of other specified securities is a promoter, the aggregate income-tax payable on such capital gains shall be— 18 of 2013.

(*a*) the income-tax payable on such capital gains in accordance with the provisions of this Act; and

(*b*) an additional income-tax in respect of capital gains specified in column B of the Table below, computed at the rate specified in column C or column D of the said Table.

TABLE

Sl. No.	Income	Rate, where the promoter is a domestic company	Rate, where the promoter is other than a domestic company
A	B	C	D
1.	Short-term capital gains referred to in section 196 arising from the transfer of such securities.	2%	10%
2.	Long-term capital gains referred to in section 197 or section 198 arising from the transfer of such securities.	9.5%	17.5%

(*3*) For the purposes of this section,—

(*a*) in the case of a company whose shares are listed on a recognised stock exchange in India, "promoter" shall have the same meaning as assigned to it in regulation 2(*k*) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 made under the Securities and Exchange Board of India Act, 1992; 15 of 1992.

(*b*) in any other case, "promoter" means,—

(*i*) a "promoter" as defined in section 2(*69*) of the Companies Act, 2013; or 18 of 2013.

(*ii*) a person who holds, directly or indirectly, more than 10% of the shareholding in the company;

(*c*) "specified securities" shall have the same meaning as assigned to it in *Explanation* 1 to section 68 of the Companies Act, 2013.'. 18 of 2013.

Amendment of section 70.

43. In section 70 of the Income-tax Act, in sub-section (*1*), for clause (*x*), the following clause shall be substituted, namely:—

"(*x*) by way of redemption, of Sovereign Gold Bond issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015 or any subsequent Sovereign Gold Bond Scheme, if held by an individual from the date of original issue till maturity;".

Amendment of section 93.

44. In section 93 of the Income-tax Act,—

(*a*) in sub-section (*1*), for clause (*a*), the following clause shall be substituted, namely:—

"(*a*) for interest on securities, any reasonable sum paid as commission or remuneration to a banker or any other person for the purpose of realising such interest on behalf of the assessee;";

(*b*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Irrespective of anything contained in sub-section (*1*), in respect of any dividend income or income from units of a Mutual Fund specified under Schedule VII (Table: Sl. No. 20 or 21) or income from units of a specified company as referred to in section 2(*h*) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, no deduction shall be allowed.".

58 of 2002.

Amendment of section 99.

45. In section 99 of the Income-tax Act, in sub-section (*2*), for the words, brackets, figures and letters "sub-section (*1*)(*a*)(*i*) or (*b*)", the words, brackets, figures and letters "sub-section (*1*)(*a*)(*ii*) or (*b*)" shall be substituted.

Amendment of section 140.

46. In section 140 of the Income-tax Act, in sub-section (*16*), in clause (*b*), in sub-clause (*ii*), for the word "one", the word "three" shall be substituted.

Amendment of section 147.

47. In section 147 of the Income-tax Act,—

(*a*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Irrespective of anything contained in section 80LA of the Income-tax Act, 1961, the deduction shall be allowed,—

43 of 1961.

(*a*) for an entity mentioned in sub-section (*1*)(*a*),—

(*i*) for twenty consecutive tax years beginning from the relevant tax year; and

(*ii*) in a case, where the tenth year, out of the period of ten consecutive years of deduction allowed under section 80LA(*1*) of the said Act has ended on the 31st March, 2025, for further ten consecutive years from the tax year beginning on the 1st April, 2026; and

(*b*) in the case of an entity mentioned in sub-section (*1*)(*b*), for twenty consecutive tax years out of twenty-five years beginning from the relevant tax year, at the option of an assessee.";

(*b*) for sub-section (*5*), the following sub-sections shall be substituted, namely:—

'(*5*) In respect of any Offshore Banking Unit or any other unit referred in sub-section (*1*), commencing operations on or after the 1st April, 2026, the deduction under sub-section (*1*) shall be available only if such unit is not formed by splitting up or reconstruction or reorganisation or transfer of a business already in existence in India.

(*6*) For the purposes of this section,—

(*a*) "relevant tax year" shall be,—

(*i*) in case of an entity referred to in sub-section (*1*)(*a*), the tax year in which permission under section 23(*1*)(*a*) of the Banking Regulation Act, 1949, or permission or registration under the Securities and Exchange Board of India Act, 1992 or any other relevant law in force was obtained; or

10 of 1949.

15 of 1992.

(*ii*) in case of an entity referred to in sub-section (*1*)(*b*), the tax year in which permission under section 23(*1*)(*a*) of the Banking Regulation Act, 1949, or permission or registration under the Securities and Exchange Board of India Act, 1992, or permission or registration under the International Financial Services Centres Authority Act, 2019 was obtained;

10 of 1949.

15 of 1992.

50 of 2019.

(*b*) "Unit" shall have the same meaning as assigned to it in section 2(*zc*) of the Special Economic Zones Act, 2005;

28 of 2005.

(*c*) "aircraft" and "ship" shall have the meanings respectively assigned to them in Schedule VI (Note 3).'.

Amendment of section 149.

48. In section 149 of the Income-tax Act,—

(*a*) in sub-section (*2*),—

(*i*) in clause (*b*), after the word "oilseeds," wherever it occurs, the words "cotton seed, cattle feed," shall be inserted;

(*ii*) for clause (*d*), the following clause shall be substituted, namely:—

"(*d*) in respect of any income derived by the co-operative society from its investments with any other co-operative society by way of—

(*i*) interest; or

(*ii*) dividends,

the whole of such income;";

(*b*) after sub-section (*5*), the following sub-section shall be inserted, namely:—

'(*6*) For the purposes of this section,—

(*a*) "consumers' co-operative society" means a society for the benefit of the consumers;

(*b*) "primary agricultural credit society" has the same meaning as assigned to it in Part V of the Banking Regulation Act, 1949; and

10 of 1949.

(*c*) "primary co-operative agricultural and rural development bank" means a society having an area of operation confined to a taluk, the principal object of which is to provide long-term credit for agricultural and rural development activities.'.

Substitution of new section for section 150.

49. For section 150 of the Income-tax Act, the following section shall be substituted, namely:—

Deduction in respect of income of federal co-operative.

'150. (*1*) If the gross total income of an assessee being a federal co-operative, in any tax year, includes any income by way of dividends received from its investment with any company, a deduction shall be allowed from such income, to the extent of the amount which,—

(*a*) has arisen from such investment as recorded in its books of account on or before the 31st January, 2026; and

(*b*) has been distributed by it to its members at least one month before the due date for filing the return of income under section 263(*1*).

(*2*) The provisions of this section shall not apply to any tax year beginning on or after the 1st April, 2029.

(*3*) For the purposes of this section, "federal co-operative" means a "federal co-operative" as defined in section 3(*k*) of the Multi-State Co-operative Societies Act, 2002 and notified as such by the Central Government.'.

39 of 2002.

Amendment of section 162.

50. In section 162 of the Income-tax Act, in sub-section (*2*), for clause (*c*), the following clause shall be substituted, namely:—

"(*c*) other units, undertakings, enterprises or business of such assessee, or other person referred to in section 140(*13*) in respect of transactions referred to in Chapter VIII, to which the provisions of section 140(*9*) or (*13*) of this Act or section 80-IA(*8*) or (*10*) of the Income-tax Act, 1961 are applicable.".

43 of 1961.

Amendment of section 164.

51. In section 164 of the Income-tax Act, in clause (*d*), the words and figures "or section 144" shall be omitted.

Amendment of section 165.

52. In section 165 of the Income-tax Act, in sub-section (*7*), the words and figures "under section 144 or" shall be omitted.

Amendment of section 166.

53. In section 166 of the Income-tax Act, for sub-section (*7*), the following sub-section shall be substituted, namely:—

"(*7*) Where a reference was made under sub-section (*1*), an order under sub-section (*6*) may be made at any time before one month prior to the month in which period of limitation referred to in section 286 or 296, for making the order of assessment or reassessment or recomputation or fresh assessment, expires and accordingly, where such period expires on—

(*a*) the 31st March of any year, the order under sub-section (*6*) shall be made on or before the 31st January of that year;

(*b*) the 31st December of any year, the order under sub-section (*6*) shall be made on or before the 31st October of that year.".

Amendment of section 169.

54. In section 169 of the Income-tax Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Irrespective of anything to the contrary contained in section 263, where an income is modified as a result of advance pricing agreement entered into with any person then, such person shall, or any other person being an associated enterprise may,—

(*a*) furnish a return or a modified return in accordance with and limited to the agreement; and

(*b*) the time period for furnishing such return or modified return shall be three months from the end of the month in which the agreement was entered into,

where the tax years relevant for such return or modified return shall be the years covered by such agreement.".

Amendment of section 195.

55. In section 195 of the Income-tax Act, in sub-section (*1*), in the long line, in clause (*i*), for the figures and symbol "60%", the figures and symbol "30%" shall be substituted.

Amendment of section 202.

56. In section 202 of the Income-tax Act, in sub-section (*2*), in clause (*a*), sub-clause (*iii*) shall be omitted.

Amendment of section 203.

57. In section 203 of the Income-tax Act,—

(*a*) in sub-section (*1*), in clause (*a*), in sub-clause (*i*), after the word and figures "section 146", the word and figures "or 150" shall be inserted;

(*b*) after sub-section (*6*), the following sub-section shall be inserted, namely:—

"(*7*) In case of an assessee, being a co-operative society, which has exercised option under sub-section (*5*), the requirements contained in sub-section (*1*) shall be modified to the extent that the deduction under section 149(*2*)(*d*)(*ii*) shall be available to such assessee as does not exceed the amount of dividend distributed by it to its members at least one month before the due date for filing the return of income under section 263(*1*).".

Amendment of section 204.

58. In section 204 of the Income-tax Act,—

(*a*) in sub-section (*3*), in clause (*a*), in sub-clause (*i*), after the word and figures "section 146", the word and figures "or 150" shall be inserted;

(*b*) after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*5*) In case of an assessee, being a co-operative society, which has exercised option under sub-section (*2*), the requirements contained in sub-section (*3*) shall be modified to the extent that the deduction under section 149(*2*)(*d*)(*ii*) shall be available to such assessee as does not exceed the amount of dividend distributed by it to its members at least one month before the due date for filing the return of income under section 263(*1*).".

Amendment of section 206.

59. In section 206 of the Income-tax Act,—

(*a*) in sub-section (*1*),—

(*i*) in clause (*b*), in sub-clause (*ii*), for the figures and symbol "15%", the figures and symbol "14%" shall be substituted;

(*ii*) in clause (*i*), for sub-clause (*ii*), the following sub-clause shall be substituted, namely:—

"(*ii*) the assessee has not utilised the credit of tax paid under section 115JAA of the Income-tax Act, 1961, in any subsequent tax year ending on or before the 31st March, 2026,"; 43 of 1961.

(*iii*) in clause (*l*), in sub-clause (*iii*), the brackets, words, letters and figures "(Table: Sl. Nos. 1, 3, 4 and 5)" shall be omitted;

(*iv*) clauses (*m*), (*n*), (*o*) and (*p*) shall be omitted;

(*v*) in clause (*q*), in the opening portion, for the word "section", the word "sub-section" shall be substituted;

(*vi*) clause (*r*) shall be omitted;

(*vii*) in clause (*s*), for the words "which this section", the words "which this sub-section" shall be substituted;

(*b*) for sub-section (*3*), the following sub-sections shall be substituted, namely:—

"(*3*) (*a*) The provisions of this sub-section shall be applicable only to an assessee, being a domestic company, that has exercised the option under section 200(*5*) or section 201(*2*) for a tax year, beginning on or after the 1st April, 2026.

(*b*) Where any amount of credit, in respect of tax paid, was allowed to be carried forward to the assessee under the provisions of section 115JAA of the Income-tax Act, 1961, as on 31st March, 2026,— 43 of 1961.

(*i*) such credit brought forward shall be allowed to be set off in any tax year to the extent of 25% of the tax payable on the total income computed as per the other provisions of this Act for that tax year;

(*ii*) the remaining credit shall be carried forward to the subsequent tax year; and

(*iii*) such carry forward or set off of tax credit shall not be allowed beyond the fifteenth tax year immediately succeeding the tax year in which the tax credit first became allowable under section 115JAA of the Income-tax Act, 1961. 43 of 1961.

(*c*) Where, as a result of any order passed under this Act, tax payable under this Act is decreased or increased, as the case may be, tax credit allowed to be set off under clause (*b*) shall also be decreased or increased, accordingly.

(*d*) In case of conversion of a private company or unlisted public company into a limited liability partnership under the Limited Liability Partnership Act, 2008, the provisions of clauses (*a*) and (*b*) shall not apply to the successor limited liability partnership. 6 of 2009.

(*4*) (*a*) The provisions of this sub-section shall be applicable only to an assessee, being a foreign company.

(*b*) Where, any amount of credit in respect of tax paid was allowed to be carried forward to the assessee under the provisions of section 115JAA of the Income-tax Act, 1961, as on 31st March, 2026,— 43 of 1961.

(*i*) such tax credit shall be carried forward and set off in a tax year, when tax payable on the total income computed as per the provisions of this Act exceeds the minimum alternate tax computed as per provisions of sub-section (*1*);

(*ii*) such set off in respect of brought forward tax credit shall be allowed for any tax year to the extent of the difference between the tax liability on the total income computed as per the other provisions of this Act and the minimum alternate tax for that tax year; and

(*iii*) such carry forward or set off of tax credit shall not be allowed beyond the fifteenth tax year immediately succeeding the tax year in which the tax credit first became allowable under section 115JAA of the Income-tax Act, 1961. 43 of 1961.

(*c*) Where, as a result of any order passed under this Act, tax payable under this Act is decreased or increased, as the case may be, tax credit allowed to be set off under clause (*b*) shall also be decreased or increased, accordingly.

(*d*) In case of conversion of a private company or unlisted public company into a limited liability partnership under the Limited Liability Partnership Act, 2008, the provisions of clauses (*a*) and (*b*) shall not apply to the successor limited liability partnership. 6 of 2009.

(*5*) Save as otherwise provided in this section, all other provisions of this Act shall apply to every assessee mentioned in this section.".

Substitution of new sections for sections 217 and 218.

60. For sections 217 and 218 of the Income-tax Act, the following sections shall be substituted, namely:—

Application of benefits under sections 212 to 216.

"217. (*1*) Where a non-resident Indian in any tax year,—

(*a*) becomes assessable as a resident in India in respect of total income in a subsequent year; and

(*b*) furnishes a declaration in writing to the Assessing Officer along with his return of income under section 263 for the tax year for which he is so assessable, to the effect that provisions of sections 212 to 216 shall continue to apply to him in relation to the investment income derived from any foreign exchange asset referred to in section 212(*e*) other than shares in an Indian company, then the provisions of sections 212 to 216 shall continue to apply in relation to such income for that tax year and every subsequent tax year until the transfer or conversion (otherwise than by transfer) of such assets into money.

(*2*) A non-resident Indian may choose not to be governed by the provisions of sections 212 to 216 for any tax year by declaring it in his return of income under section 263 for such tax year, and if he does so,—

(*a*) the provisions of sections 212 to 216 shall not apply to him for that tax year; and

(*b*) his total income for that tax year shall be computed and charged to tax according to the other provisions of this Act.

Tax on business income of Offshore Banking Units or International Financial Services Centre unit.

218. Where the total income of an assessee includes income of the nature referred to in section 147(*3*), the aggregate of income-tax payable by the assessee shall be the aggregate of income-tax computed on the income specified in column B of the Table below at the rate specified in the corresponding entry in column C of the said Table:

TABLE

Sl. No.	Income	Rate of income-tax payable
A	B	C
1.	Income referred to in section 147(*3*)	15%
2.	Total income as reduced by income referred to in Sl. No. (1).	Rates in force.".

Amendment of section 227.

61. In section 227 of the Income-tax Act,—

(*a*) in sub-section (*4*), in clause (*a*), for the word "certificate", the words "valid certificate" shall be substituted;

(*b*) in sub-section (*9*), in clause (*b*), in sub-clause (*iii*), for the word "certificate", the words "certificate of registration" shall be substituted.

Amendment of section 228.

62. In section 228 of the Income-tax Act, in sub-section (*3*), in clause (*b*), in sub-clause (*ii*), in item (*A*), after the words "passenger ships", the words "or inland vessels" shall be inserted.

Amendment of section 232.

63. In section 232 of the Income-tax Act,—

(*a*) for sub-sections (*12*) and (*13*), the following sub-sections shall be substituted, namely:—

"(*12*) A tonnage tax company, after its option has been approved under section 231(*4*), shall comply with the minimum training requirement as per the guidelines issued by the Director-General of Shipping or the Inland Waterways Authority of India, as the case may be, and notified by the Central Government.

(*13*) The tonnage tax company shall be required to furnish a copy of the certificate issued by the Director-General of Shipping, or the designated authority, as appointed by the respective State Governments under the Inland Vessels Act, 2021, as the case may be, along with the return of income under section 263 to the effect that such company has complied with the minimum training requirement as per the guidelines referred to in sub-section (*12*) for the tax year.";

24 of 2021.

(*b*) in sub-section (*17*), after the words "Director-General of Shipping", the words "or Inland Waterways Authority of India, as the case may be" shall be inserted.

Amendment of section 235.

64. In section 235 of the Income-tax Act, after clause (*f*), the following clause shall be inserted, namely:—

'(*fa*) "Inland Waterways Authority of India" shall have the same meaning as assigned to it in section 3 of the Inland Waterways Authority of India Act, 1985;'.

82 of 1985.

Amendment of section 262.

65. In section 262 of the Income-tax Act, in sub-section (*10*), in clause (*c*), for the words "pertaining to business or profession", the words "pertaining to, business or profession, or other transactions," shall be substituted.

Amendment of section 263.

66. In section 263 of the Income-tax Act,—

(*a*) in sub-section (*1*), for clause (*c*), the following clause shall be substituted, namely:—

'(c) for the purposes of this section, "due date" in respect of the persons mentioned in column B of the Table below, subject to conditions as mentioned in column C of the said Table, shall be the due date of the financial year succeeding the relevant tax year as mentioned in column D thereof:

TABLE

Sl. No.	Person	Conditions	Due date
A	B	C	D
1.	Assessee, including the partners of the firm or the spouse of such partner (if section 10 applies to such spouse).	Where the provisions of section 172 apply.	30th November.

A	B	C	D
2.	(*i*) Company; (*ii*) assessee (other than a company) whose accounts are required to be audited under this Act or under any other law in force; (*iii*) partner of a firm whose accounts are required to be audited under this Act or under any other law in force; or the spouse of such partner (if section 10 applies to such spouse).	Where the provisions of section 172 do not apply.	31st October.
3.	(*i*) Assessee having income from profits and gains of business or profession whose accounts are not required to be audited under this Act or under any other law in force; (*ii*) partner of a firm whose accounts are not required to be audited under this Act or under any other law in force or the spouse of such partner (if section 10 applies to such spouse).	Where the provisions of section 172 do not apply.	31st August.
4.	Any other assessee.		31st July.’;

(*b*) for sub-section (*5*), the following sub-section shall be substituted, namely:—

“(*5*) If any person, having furnished a return under sub-section (*1*) or (*4*), discovers any omission or any wrong statement therein, he may, subject to the provisions of section 428(*b*), furnish a revised return at any time within twelve months from the end of the relevant tax year, or before the completion of the assessment, whichever is earlier.”;

(*c*) in sub-section (*6*),—

(*i*) for clause (*b*), the following clause shall be substituted, namely:—

“(*b*) (*i*) the provisions of clause (*a*) shall continue to apply for a tax year if any person has sustained a loss in the said tax year and has furnished a return of loss within the due date specified under sub-section (*1*) and the updated return is a return of income or such updated return has the effect of reducing the loss;

(*ii*) the provisions of clause (*a*) shall also apply where an updated return is furnished by a person for the relevant tax year in pursuance of a notice issued under section 280 within such period as specified in the said notice and in such a case, the assessee shall be precluded from filing return in pursuance of the said notice in any other manner;”;

(*ii*) in clause (*c*),—

(*A*) in sub-clause (*i*), after the words "tax year", the words, brackets, figures and letter "except in a case referred to in sub-section (*6*)(*b*)(*i*)" shall be inserted;

(*B*) in sub-clause (*v*), after the words "tax year", the words, brackets, figures and letter "except in a case referred to in sub-section (*6*)(*b*)(*ii*)" shall be inserted;

(*iii*) in clause (*e*), for the figures, brackets, letters and words "206(*1*)(*m*) to (*p*) and 206(*2*)(*e*) to (*h*)", the figures, brackets, letters and words "206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*)" shall be substituted.

Amendment of section 266.

67. In section 266 of the Income-tax Act,—

(*a*) in sub-section (*2*), for clause (*f*), the following clause shall be substituted, namely:—

"(*f*) any tax credit claimed to be set off as per sections 206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*); and";

(*b*) in sub-section (*4*), for clause (*f*), the following clause shall be substituted, namely:—

"(*f*) any tax credit claimed to be set off as per the provisions of sections 206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*).";

(*c*) in sub-section (*6*), for clause (*e*), the following clause shall be substituted, namely:—

"(*e*) any tax credit claimed to be set off as per the provisions of sections 206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*).".

Amendment of section 267.

68. In section 267 of the Income-tax Act,—

(*a*) in sub-section (*2*), for clause (*f*), the following clause shall be substituted, namely:—

"(*f*) any tax credit claimed to be set off as per the provisions of sections 206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*).";

(*b*) in sub-section (*4*), for clause (*e*), the following clause shall be substituted, namely:—

"(*e*) any tax credit claimed, to be set off as per the provisions of sections 206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*) which has not been claimed in the earlier return.";

(*c*) for sub-section (*5*), the following sub-section shall be substituted, namely:—

"(*5*) (*i*) For the purposes of sub-sections (*1*) and (*3*), the additional income-tax payable at the time of furnishing the return under section 263(*6*) shall be equal to,—

(*a*) 25% of aggregate of tax and interest payable, as determined in sub-section (*1*) or (*3*), as the case may be, if such return is furnished after the expiry of the time available under section 263(*4*) or (*5*) and before completion of twelve months from the end of the financial year succeeding the relevant tax year; or

(*b*) 50% of aggregate of tax and interest payable, as determined in sub-section (*1*) or (*3*), as the case may be, if such return is furnished after the expiry of twelve months but before completion of twenty-four months from the end of the financial year succeeding the relevant tax year; or

(*c*) 60% of aggregate of tax and interest payable, as determined in sub-section (*1*) or (*3*), as the case may be, if such return is furnished after the expiry of twenty-four months, but before the completion of thirty-six months, from the end of the financial year succeeding the relevant tax year; or

(*d*) 70% of aggregate of tax and interest payable, as determined in sub-section (*1*) or (*3*), as the case may be, if such return is furnished after the expiry of thirty-six months, but before the completion of forty-eight months, from the end of the financial year succeeding the relevant tax year.

(*ii*) Where an updated return is filed in pursuance of a notice issued under section 280 within the period specified in the said notice, the additional income-tax payable under sub-section (*5*)(*i*) shall be increased by a further sum of 10% of the aggregate of tax and interest payable, as determined in sub-section (*1*) or (*3*), as the case may be.";

(*d*) in sub-section (*7*), in clause (*a*), for sub-clause (*v*), the following sub-clause shall be substituted, namely:—

"(*v*) any tax credit claimed, to be set off as per sections 206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*), which has not been claimed in the earlier return; and".

Amendment of section 270.

69. In section 270 of the Income-tax Act, in sub-section (*1*), in clause (*a*), in sub-clause (*vi*), the words and figures "under section 144 or" shall be omitted.

Amendment of section 275.

70. In section 275 of the Income-tax Act,—

(*a*) for sub-section (*4*), the following sub-section shall be substituted, namely:—

"(*4*) (*a*) The Assessing Officer shall, irrespective of anything contained in section 286, pass the assessment order under sub-section (*3*) within one month from the end of the month in which,—

(*i*) the acceptance is received; or

(*ii*) the period of filing of objections under sub-section (*2*) expires.

(*b*) Irrespective of anything contained in section 286, where a draft of the proposed order of assessment under sub-section (*1*) is forwarded within the time period allowed under the said section, further time period available to the Assessing Officer to complete the assessment under sub-section (*3*) shall be governed by the provisions of this sub-section.";

(*b*) for sub-section (*14*), the following sub-section shall be substituted, namely:—

"(*14*) (*a*) Upon receipt of the directions issued under sub-section (*5*), the Assessing Officer shall, in conformity with the directions, complete, irrespective of anything to the contrary contained in section 286, the assessment without providing any further opportunity of being heard to the assessee, within one month from the end of the month in which such direction is received.

(*b*) Irrespective of anything contained in section 286, where a draft of the proposed order of assessment under sub-section (*1*) is forwarded within the time period allowed under section 286, time period available for the Assessing Officer under this sub-section to pass the assessment order upon receipt of the direction issued under sub-section (*5*), shall be governed by the provisions of sub-section (*13*) and this sub-section.".

Amendment of section 279.

71. In section 279 of the Income-tax Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

'(*3*) The "Assessing Officer" for the purposes of sections 280 and 281 shall mean to be an Assessing Officer other than the National Faceless Assessment Centre or any assessment unit referred to in section 273(*3*).'.

Amendment of section 280.

72. In section 280 of the Income-tax Act, in sub-section (*1*), for clause (*c*), the following clause shall be substituted, namely:—

"(*c*) the period specified in the notice referred to in clause (*a*) shall not be less than thirty days from the date of such notice but shall not exceed three months from the end of the month in which such notice is issued.".

Substitution of new section for section 283.

73. For section 283 of Income-tax Act, the following section shall be substituted, namely:—

Provision for cases where assessment is in pursuance of an order on appeal, etc.

"283. (*1*) Irrespective of anything contained in section 282, the notice under section 280 may be issued at any time for the purpose of making an assessment or reassessment or recomputation in consequence of, or to give effect to,—

(*a*) any finding or direction contained in an order passed by any authority, Tribunal or Court in any proceeding under this Act or any other law; or

(*b*) the directions issued by the Approving Panel under section 274(*6*).

(*2*) The provisions of sub-section (*1*) shall not apply in any case, where the assessment or reassessment or recomputation as is referred to in that sub-section relates to a tax year in respect of which an assessment or reassessment or recomputation could not have been made under this Act due to it being time-barred, at the time when,—

(*a*) the order, which was the subject matter before any authority, Tribunal or Court, was made; or

(*b*) the proceedings relating to assessment or reassessment or recomputation under this Act (other than those proceedings which have culminated in an order), which was the subject matter before the Court, was initiated; or

(*c*) the reference from the jurisdictional Principal Commissioner or Commissioner is made to the Approving Panel under section 274(*4*).

(*3*) For the purposes of sub-section (*1*), notice under section 280 shall be issued within three months from the end of the quarter in which the certified copy of the order of the authority or the Court, as the case may be, is received by the jurisdictional Principal Commissioner or Commissioner.".

Amendment of section 286.

74. In section 286 of the Income-tax Act, for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*)(*a*) Time limit for completion of any assessment or reassessment as provided in sub-section (*1*) [Table: Sl Nos. 1 to 5], in a case where reference is made to the Transfer Pricing Officer for determining the arm's length price under section 166(*1*), shall be extended by an additional period of twelve months.

(*b*) In terms of provisions of sub-section (*1*) [Table: Sl Nos. 1 to 5] and this sub-section, the draft of the proposed order of assessment referred to in section 275 shall be made at any time up to the time limit of assessment, reassessment or recomputation referred to in the said Table and this sub-section.".

Amendment of section 295.

75. In section 295 of the Income-tax Act, in sub-section (*2*), after clause (*b*), the following clauses shall be inserted, namely:—

"(*c*) where the undisclosed income of the other person pertains only to the period—

(*i*) commencing from the tax year (herein referred to as the specified year) immediately preceding the year of initiation of search or requisition; and

(*ii*) ending on the date of initiation of search or making of requisition,

then irrespective of the provisions of section 301(*a*), the block period in respect of such other person shall comprise of the specified year and the period starting from the 1st April of the tax year in which search was initiated or requisition was made and ending on the date of the execution of the last of the authorisations for such search or such requisition;

(*d*) where the undisclosed income of the other person pertains to a single tax year out of the five tax years preceding the specified year, then irrespective of the provisions of section 301(*a*), the block period in respect of such other person shall comprise of only that single tax year.".

Amendment of section 296.

76. In section 296 of the Income-tax Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Irrespective of the provisions of section 286, the order under section 294 shall be passed within eighteen months from the end of the quarter in which the search was initiated or requisition was made.".

Amendment of section 332.

77. In section 332 of the Income-tax Act, in sub-section (*1*), in clause (*f*), for the words, figures, brackets and letters "Schedule VII (Table: Sl. No. 10) to (Table: Sl. No. 19)", the words, figures, brackets and letters "Schedule VII [Table: Sl. Nos. 17 to 19]" shall be substituted.

Amendment of section 349.

78. In section 349 of the Income-tax Act, after the word, figures, brackets and letter "section 263(*1*)(*c*)", the word, figures and brackets "or 263(*4*)" shall be inserted.

Amendment of section 351.

79. In section 351 of the Income-tax Act, in sub-section (*1*),—

(*i*) in clause (*b*), the word and figures "or 346" shall be omitted;

(*ii*) in clause (*c*), for the word "ensure", the word "enure" shall be substituted.

Amendment of section 352.

80. In section 352 of the Income-tax Act, in sub-section (*4*), in the Table, for serial number 8 and the entries relating thereto, the following shall be substituted, namely:—

A	B		C	D
	(i)	(ii)		
"8.	The specified person has merged with any other— (*a*) entity other than a registered non-profit organisation; or (*b*) registered non-profit organisation having objects same or similar to it but the said merger does not fulfil such conditions, as may be prescribed; or (*c*) registered non-profit organisation that does not have same or similar objects.		The date of merger	The date of merger.".

Insertion of new section 354A.

81. After section 354 of the Income-tax Act, the following section shall be inserted, namely:—

Merger of register non-profit organisation in certain cases.

"354A. Where any registered non-profit organisation merges with any other registered non-profit organisation, the provisions of section 352 shall not apply if,—

(*a*) the other registered non-profit organisation has same or similar objects; and

(*b*) the said merger fulfils such conditions as may be prescribed.".

Amendment of section 363.

82. In section 363 of Income-tax Act, for sub-section (*10*), the following sub-section shall be substituted, namely:—

"(*10*) The Appellate Tribunal shall—

(*a*) send a copy of any order passed under this section to the assessee; and

(*b*) a copy of such order shall also be sent to the jurisdictional Principal Commissioner or Commissioner, electronically on the designated portal designed by the Director General or Principal Director General and the provisions relating to time limits under this Act for any appeal, reference, revision, or otherwise, shall apply accordingly.".

Amendment of section 379.

83. In section 379 of the Income-tax Act, in sub-section (*2*), for the words "waive any penalty imposable", the words "waive any penalty imposed or imposable" shall be substituted.

Amendment of section 393.

84. In section 393 of the Income-tax Act,—

(*a*) in sub-section (*1*), in the Table, in serial number 3, in Note 3, for the words, figures and brackets "serial number 3(*iii*)", the words, figures and brackets "serial number 3(*i*)" shall be substituted;

(*b*) in sub-section (*4*), in the Table, against serial number 7, in column C,—

(*i*) in clause (*a*), in sub-clause (*i*), after the words "banking company", the words and brackets "or any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank)" shall be inserted;

(*ii*) in clause (*b*), in the long line, in sub-clause (*c*), for item (*iv*), the following item shall be substituted, namely:—

"(*iv*) on the compensation amount awarded by a Motor Accidents Claims Tribunal—

(*A*) to an individual; or

(*B*) to a person other than an individual, where the aggregate interest on such compensation does not exceed ₹ 50000 during the tax year;";

(*c*) sub-section (*6*) shall be renumbered as sub-section (*6*)(*a*) thereof and after sub-section (*6*)(*a*) as so renumbered, the following clause shall be inserted with effect from the 1st April, 2027, namely:—

"(*b*) The declaration referred in clause (*a*) may also be furnished electronically to a depository, as defined in section (*2*)(*e*) of the Depositories Act, 1996, where— 22 of 1996.

(*i*) the income is from units, interest on securities or dividends, as the case may be, as referred to in section 393(*1*) [Table: 4(*i*), 5(*i*) or 7];

(*ii*) such units or securities are held with such depository; and

(*iii*) such securities are listed on a recognised stock exchange,

in accordance with such procedure and manner, as may be prescribed.";

(*d*) for sub-section (*7*), the following sub-section shall be substituted, namely:—

"(*7*) The person responsible for paying any income or sum of the nature referred to in sub-section (*6*) shall deliver or cause to be delivered, such declaration referred therein, received from the person, as specified in column B of the Table in sub-section (*6*) or the depository, to the prescribed income-tax authority, on or before the seventh day of the month immediately following the end of each quarter in which declaration is furnished to him as per sub-section (*6*).".

Amendment of section 394.

85. In section 394 of the Income-tax Act, in sub-section (*1*), in the Table,—

(*a*) against Sl. No. 1, in column D, for the figure and symbol "1%", the figure and symbol "2%" shall be substituted;

(*b*) against Sl. No. 2, in column D, for the figure and symbol "5%", the figure and symbol "2%" shall be substituted;

(*c*) against Sl. No. 4, in column D, for the figure and symbol "1%", the figure and symbol "2%" shall be substituted;

(*d*) against Sl. No. 5, in column D, for the figure and symbol "1%", the figure and symbol "2%" shall be substituted;

(*e*) against Sl. No. 7, in column D, in clause (*a*), for the figure and symbol "5%", the figure and symbol "2%" shall be substituted;

(*f*) against Sl. No. 8, in column D, for clauses (*a*) and (*b*), the figure and symbol "2%" shall be substituted.

Amendment of section 395.

86. In section 395 of the Income-tax Act,—

(*a*) in sub-section (*1*), for clause (*c*), the following clause shall be substituted, namely:—

"(*c*) when a certificate is issued under clause (*b*) or sub-section (*6*), as the case may be, the person responsible for paying the income or sum shall deduct the tax at the rate specified in such certificate, or deduct no income-tax, as the case may be, till its validity.";

(*b*) after sub-section (*5*), the following sub-section shall be inserted, namely:—

"(*6*) The application referred to in sub-section (*1*)(*a*) may also be filed before the prescribed income-tax authority, subject to such conditions as may be prescribed, and such authority on electronic verification of the contents of the application, may—

(*a*) either issue a certificate for deduction of income-tax at lower rate or no deduction of income-tax; or

(*b*) reject such application on account of non-fulfilment of the prescribed conditions or on account of the application being incomplete.".

Amendment of section 397.

87. In section 397 of the Income-tax Act, in sub-section (*1*), for clause (*c*), the following clause shall be substituted with effect from the 1st October, 2026, namely:—

"(*c*) the provisions of clause (*a*) shall not apply to—

(*i*) a person in respect of a transaction where he is required to deduct tax under section 393(*1*) [Table: Sl. No. 2(*i*), 3(*i*) or 6(*ii*)]; or

(*ii*) a person referred to in section 393(*4*) [Table: Sl. No. 12.C(*a*)] in respect of a transaction where he is required to deduct tax on consideration for transfer of a virtual digital asset under section 393(*1*) [Table: Sl. No. 8(*vi*)]; or

(*iii*) a resident individual or Hindu undivided family in respect of a transaction where he is required to deduct tax on any consideration for the transfer of any immovable property under section 393(*2*) [Table: Sl. No. 17]; or

(*iv*) a person notified in this regard by the Central Government.".

Amendment of section 399.

88. In section 399 of the Income-tax Act, for the figures "427" at both the places where they occur, the figures, brackets and word "427(*1*) and (*2*)" shall be substituted.

Amendment of section 400.

89. In section 400 of the Income-tax Act, for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) The Board may, with the previous approval of the Central Government, issue guidelines to remove any difficulty arising in giving effect to the provisions of this Chapter and such guidelines shall be—

(*a*) binding on the income-tax authorities and on the person liable to deduct or, as the case may be, collect income-tax; and

(*b*) laid before each House of Parliament.".

Amendment of section 402.

90. In section 402 of the Income-tax Act,—

(*a*) in clause (*27*), in sub-clause (*c*), for the words "authorised person responsible", the words, brackets, letter and figures "authorised person, referred in clause (*c*) of section 2 of the Foreign Exchange Management Act, 1999, responsible" shall be substituted; 42 of 1999.

(*b*) in clause (*47*), after sub-clause (*e*), the following sub-clause shall be inserted, namely:—

"(*f*) supply of manpower to a person to work under his supervision, control or direction.".

Amendment of section 411.

91. In section 411 of the Income-tax Act, for sub-section (*3*), the following sub-section shall be substituted, namely:—

"(*3*) (*a*) If the amount specified in any notice of demand under section 289 is not paid within the period specified under sub-section (*1*),—

(*i*) the assessee shall be liable to pay simple interest at 1% for every month or part of a month comprised in the period; and

(*ii*) such period shall commence from the day immediately following the end of the period mentioned in sub-section (*1*) and end with the day on which the amount is paid.

(*b*) No interest shall be charged under this sub-section in respect of any demand raised on account of penalty levied under section 439,—

(*i*) up to the date of passing of the order under section 359;

(*ii*) up to the date of passing of the order under section 363, where the assessment or reassessment has been made in pursuance to directions issued by the Dispute Resolution Panel under section 275.".

Amendment of section 413.

92. In section 413 of the Income-tax Act, in sub-section (*1*), for clauses (*c*) and (*d*), the following clause shall be substituted, namely:—

"(*c*) appointing a receiver for the management of movable and immovable properties of the assessee.".

Amendment of section 423.

93. In section 423 of the Income-tax Act, in sub-section (*4*), in clause (*d*), for sub-clause (*vii*), the following sub-clause shall be substituted, namely:—

"(*vii*) any tax credit allowed to be set off as per sections 206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*).".

Amendment of section 424.

94. In section 424 of the Income-tax Act, in sub-section (*2*), for clause (*f*), the following clause shall be substituted, namely:—

"(*f*) any tax credit allowed to be set off as per sections 206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*).".

Amendment of section 425.

95. In section 425 of the Income-tax Act, in sub-section (*5*), for clause (*f*), the following clause shall be substituted, namely:—

"(*f*) any tax credit allowed to be set off as per sections 206(*2*)(*e*) to (*h*) and 206(*3*) and (*4*).".

Substitution of new sections for sections 427 and 428.

96. For sections 427 and 428 of the Income-tax Act, the following sections shall be substituted, namely:—

Fee for default in furnishing statements.

"427. (*1*) Without prejudice to the provisions of this Act, where any person fails to deliver or cause to be delivered a statement as per section 397(*3*)(*b*) within the time prescribed therein, he shall be liable to pay by way of fee, a sum of ₹ 200 for every day for which such failure continues.

(*2*) The amount of fee referred to in sub-section (*1*) shall—

(*a*) not exceed the amount of tax deductible or collectible; and

(*b*) be paid before delivering or causing to be delivered the statement, as per sub-section (*1*).

(*3*) Without prejudice to the provisions of this Act, where any person who is required to furnish a statement of financial transaction or reportable account under section 508(*1*), fails to furnish such statement within the time prescribed under section 508(*2*), he shall be liable to pay by way of fee, a sum of ₹ 200 for every day for which such failure continues and such fee shall not exceed a sum of ₹ 100000.

Fee for default in furnishing return of income, audited accounts and reports.

428. Without prejudice to the provisions of this Act, where any person—

(*a*) required to furnish a return of income under section 263, fails to do so within the due date, as specified under sub-section (*1*) of the said section, he shall be liable to pay by way of fee,—

(*i*) a sum of ₹ 1000, if the total income of such person does not exceed ₹ 500000; and

(*ii*) a sum of ₹ 5000, in any other case;

(*b*) furnishes a return of income under section 263(*5*) beyond nine months from the end of relevant tax year, he shall be liable to pay by way of fee,—

(*i*) a sum of ₹ 1000, if the total income of such person does not exceed ₹ 500000; and

(*ii*) a sum of ₹ 5000, in any other case;

(*c*) fails to get his accounts audited for any tax year or years and furnish the report of such audit as required under section 63, he shall be liable to pay by way of fee,—

(*i*) a sum of ₹ 75000 for a delay up to one month for which such failure continues; and

(*ii*) a sum of ₹ 150000 thereafter;

(*d*) fails to furnish a report from an accountant as required by section 172, he shall be liable to pay by way of fee,—

(*i*) a sum of ₹ 50000 for a delay up to one month for which such failure continues; and

(*ii*) a sum of ₹ 100000 thereafter.".

Amendment of section 438.

43 of 1961.

97. In section 438 of the Income-tax Act, in sub-section (*1*), after the words "remaining payable under", the words and figures "the Income-tax Act, 1961, or" shall be inserted.

Amendment of section 439.

98. In section 439 of the Income-tax Act,—

(*a*) in sub-section (*11*),—

(*i*) in clause (*e*), the word "and" occurring at the end shall be omitted;

(*ii*) in clause (*f*), for the word "apply.", the words "apply; and" shall be substituted;

(*iii*) after clause (*f*), the following clause shall be inserted, namely:—

"(*g*) income referred to in section 195(*1*)(*b*).".

(*b*) after sub-section (*13*), the following sub-section shall be inserted, namely:—

"(*13A*) Where additional income-tax is paid in accordance with section 267(*5*)(*ii*), the income on which such additional income-tax is paid shall not form the basis of imposition of penalty under this section.".

Amendment of section 440.

99. In section 440 of the Income-tax Act,—

(*a*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Waiver of penalty and immunity from prosecution.";

(*b*) for sub-sections (*1*) to (*4*), the following sub-sections shall be substituted, namely:—

"(*1*) An assessee may make an application to the Assessing Officer to grant waiver of penalty levied under section 439 and immunity from initiation of proceedings under section 478 or 479 on fulfilment of the following conditions:—

(*a*) the tax and interest payable as per the order of assessment under section 270(*10*) or reassessment under section 279, has been paid within the period specified in the notice of demand;

(*b*) where penalty has been levied under the circumstances referred to in section 439(*11*)(*a*) to (*f*), additional income-tax amounting to 100% of the amount of tax payable on under-reported income has been paid within the period specified in the notice of demand, *in lieu* of such penalty;

(*c*) where penalty has been levied under the circumstances referred to in section 439(*11*)(*g*), additional income-tax amounting to 120% of the amount of tax payable on under-reported income has been paid within the period specified in the notice of demand, *in lieu* of such penalty; and

(*d*) no appeal has been filed against the order of assessment or reassessment and levy of penalty referred to in clauses (*a*), (*b*) and (*c*).

(*2*) An application referred in sub-section (*1*) shall be made within one month from the end of the month in which the order referred to in the said sub-section is received by the assessee, in such form and verified in such manner, as may be prescribed.

(*3*) The Assessing Officer shall, on fulfilment of the conditions as specified in sub-section (*1*), and after the expiry of the period of filing appeal as specified in section 358(*3*)(*a*), grant waiver of penalty under section 439 and immunity from initiation of proceedings under section 478 or 479.

(*4*) No waiver or immunity under sub-section (*3*) shall be granted if any proceeding has been initiated under Chapter XXII.".

Omission of section 443.

100. Section 443 of the Income-tax Act shall be omitted.

Substitution of new section for section 446.

101. For section 446 of the Income-tax Act, the following section shall be substituted, namely:—

Penalty for failure to furnish information or for furnishing inaccurate information on transaction of crypto-asset.

"446. (*1*) If any person who is required to furnish a statement in respect of a transaction of a crypto-asset under section 509(*1*), fails to furnish such statement within the time prescribed under the said section, the prescribed income-tax authority under that section may impose on him, a penalty of ₹ 200 for every day for which such failure continues.

(*2*) The prescribed income-tax authority may impose a penalty of ₹ 50000 on a person referred in sub-section (*1*), if such person—

(*a*) provides inaccurate information in the statement and fails to remove such inaccuracy as per section 509(*4*); or

(*b*) fails to comply with due diligence the requirement under section 509(*5*).".

Omission of section 447.

102. Section 447 of the Income-tax Act shall be omitted.

Substitution of new section for section 454.

103. For section 454 of the Income-tax Act, the following section shall be substituted, namely:—

Penalty for failure to furnish statement of financial transaction or reportable account after a notice.

"454. Where any person, who is required to furnish a statement of financial transaction or reportable account under section 508(*1*), fails to furnish such statement or reportable account within the period specified in the notice issued under section 508(*7*), the income-tax authority prescribed under section 508(*1*) may impose on him, a penalty of ₹ 1000 for every day for which such failure continues, beginning from the day immediately after the period specified in such notice for furnishing such statement or reportable account expires and such penalty shall not exceed ₹ 100000.".

Amendment of section 466.

104. In section 466 of the Income-tax Act, for the figures "1000", the figures "25000" shall be substituted.

Amendment of section 467.

105. In section 467 of the Income-tax Act, in the marginal heading, for the word and figures "section 262", the words and figures "sections 262 and 397" shall be substituted.

Amendment of section 470.

106. In section 470 of the Income-tax Act, the word and figures "or 447" shall be omitted.

Amendment of section 471.

107. In section 471 of the Income-tax Act,—

(*a*) in sub-section (*1*), after the words "reasonable opportunity of being heard", the words "by way of a show cause notice to that effect" shall be inserted;

(*b*) after sub-section (*3*), the following sub-sections shall be inserted, namely:—

"(*4*) Irrespective of anything contained in any other provision of this Act, where any draft of the proposed order of assessment under section 275 or assessment under section 270 or reassessment under section 279 is made on or after the 1st April, 2027,—

(*a*) penalty under section 439, if any, shall constitute part of such draft assessment or shall be imposed as a part of such order of assessment or reassessment, as the case may be; and

(*b*) the reference to the assessment order or the penalty order under section 439 in any of the provisions of this Act shall take reference to such order of assessment or reassessment, as the case may be.

(*5*) Where the approval of the Joint Commissioner is taken for passing of an order of assessment or reassessment on or after the 1st April, 2027, such approval shall also be deemed to be the approval for the imposition of penalty under section 439, if any, constituting part of such order of assessment or reassessment.".

Amendment of section 473.

108. In section 473 of the Income-tax Act,—

(*a*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Contravention of order made during search action.";

(*b*) for the words "rigorous imprisonment which may extend to two years and shall also be liable to fine", the words "simple imprisonment up to two years and with fine" shall be substituted.

Amendment of section 474.

109. In section 474 of the Income-tax Act,—

(*a*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Failure to afford facility for inspection of books of account during search.";

(*b*) for the words "rigorous imprisonment for a term which may extend to two years and shall also be liable to fine", the words "simple imprisonment for a term up to six months, or with fine, or with both" shall be substituted.

Amendment of section 475.

110. In section 475 of the Income-tax Act, for the words "rigorous imprisonment for a term which may extend to two years and shall also be liable to fine", the words "simple imprisonment for a term up to two years and with fine" shall be substituted.

Amendment of section 476.

111. In section 476 of the Income-tax Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) If a person fails to—

(*a*) pay the tax deducted at source by him to the credit of the Central Government, as required by or under the provisions of Chapter XIX-B; or

(*b*) pay tax or ensure payment of tax to the credit of the Central Government in respect of—

(*A*) any income by way of winnings from online games as referred in section 393(*3*) [Table: Sl. No. 2], excluding such winnings which are wholly in kind, as referred to in Note 2 to the said Table; or

(*B*) any sum by way of consideration for transfer of a virtual digital asset as referred in section 393(*1*) [Table: Sl. No. 8(*vi*)], excluding such consideration which is wholly in kind, as referred to in Note 6 to the said Table,

he shall be punishable—

(*i*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or

(*ii*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*iii*) with fine, in any other case.".

Amendment of section 477.

112. In section 477 of the Income-tax Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) If a person fails to pay the tax collected by him to the credit of the Central Government, as required under section 397(*3*)(*a*), he shall be punishable—

(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case.".

Amendment of section 478.

113. In section 478 of the Income-tax Act, for sub-sections (*1*) and (*2*), the following sub-sections shall be substituted, namely:—

"(*1*) If a person wilfully attempts in any manner to evade any tax, penalty or interest chargeable or imposable, or under-reports his income, under this Act, he shall be punishable—

(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded or tax on under-reported income exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded or tax on under-reported income exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case.

(*2*) If a person wilfully attempts in any manner to evade payment of any tax, penalty or interest under this Act, he shall be punishable—

(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case.".

Amendment of section 479.

114. In section 479 of the Income-tax Act, in sub-section (*1*), for clauses (*a*) and (*b*), the following clauses shall be substituted, namely:—

"(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case.".

Substitution of new sections for sections 480 and 481.

115. For sections 480 and 481 of the Income-tax Act, the following sections shall be substituted, namely:—

Failure to furnish return of income setting forth undisclosed income.

"480. If a person wilfully fails to furnish in due time the return of income, setting forth his undisclosed income for the block period, which is required to be furnished by notice given under section 294(*1*)(*a*), he shall be punishable—

(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax exceeds fifty lakh rupees; or

(*b*) with simple imprisonment up to six months, or with fine, or with both, where the amount of tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case.

Failure to comply with a direction of special audit or valuation.

481. If a person wilfully fails to comply with a direction issued to him under section 268 (*5*), he shall be punishable with simple imprisonment for a term up to six months, or with fine, or with both.".

Amendment of section 482.

116. In section 482 of the Income-tax Act, for clauses (*a*) and (*b*), the following clauses shall be substituted, namely:—

"(*a*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds fifty lakh rupees; or

(*b*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been evaded if the statement or account had been accepted as true, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*c*) with fine, in any other case.".

Amendment of section 483.

117. In section 483 of the Income-tax Act, in sub-section (*1*), for the words "rigorous imprisonment for a term which shall not be less than three months but which may extend to two years and with fine", the words "simple imprisonment for a term up to two years and with fine" shall be substituted.

Amendment of section 484.

118. In section 484 of the Income-tax Act, for the long line, the following long line shall be substituted, namely:—

"he shall be punishable—

(*i*) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds fifty lakh rupees; or

(*ii*) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, penalty or interest which would have been evaded, if the declaration, account or statement had been accepted as true, or which is wilfully attempted to be evaded, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(*iii*) with fine, in any other case.".

Amendment of section 485.

119. In section 485 of the Income-tax Act, for the words "rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years, and with fine", the words "simple imprisonment for a term which shall not be less than six months but which may extend to three years and with fine" shall be substituted.

Amendment of section 494.

120. In section 494 of the Income-tax Act, in sub-section (*1*), for the words "imprisonment which may extend to six months, and shall also be liable to fine", the words "simple imprisonment up to one month, or with fine, or with both" shall be substituted.

Substitution of new section for section 522.

121. For section 522 of the Income-tax Act, the following section shall be substituted, namely:—

Circumstances in which return of income, assessment, approvals, etc., not to be invalid.

"522. (*1*) No return of income, assessment, notice, summons or other proceedings relating thereto, furnished or made or issued or taken, or purported to have been furnished or made or issued or taken, in pursuance of any of the provisions of this Act, shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such return of income, assessment, notice, summons or other proceeding, if such return of income, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purposes of this Act.

(*2*) No assessment under any of the provisions of this Act shall be invalid on the ground of any mistake, defect or omission in respect of quoting of a computer generated Document Identification Number, if the assessment order is referenced by such number in any manner.

(*3*) Irrespective of anything contained in this Act, any approval given by an income-tax authority in relation to any assessment, reassessment or recomputation proceedings shall be deemed to be administrative and supervisory in nature and, shall not be invalid by reason of any insufficiency of the reasons recorded or by reason of any defect in the form or manner of its authentication or communication including whether digital signature have been appended to such approval or not, where such approval has been granted electronically.".

Amendment of section 536.

122. In section 536 of the Income-tax Act, in sub-section (*2*),—

(*i*) in the opening portion, for the word, brackets and figure "sub-section (*3*)", the word, brackets and figure "sub-section (*4*)" shall be substituted;

(*ii*) for clause (*g*), the following clause shall be substituted, namely:—

"(*g*) where in respect of any proceeding relating to any tax year beginning before the 1st April, 2026,—

(*i*) a refund falls due on or after such date; or

(*ii*) default is made on or after such date, in the payment of any sum due under such proceeding,

the provisions of the repealed Income-tax Act, relating to the interest payable by the Central Government on refunds or the interest payable by the assessee for default, shall apply for the period on or after such date, subject to the effect that—

(*A*) the rate of interest on refund or on the default, as the case may be, as provided in the repealed Income-tax Act has been substituted with the rate as provided in the corresponding provisions of this Act; and

(*B*) such substitution shall apply from the date on which such rate has been modified under this Act;";

(*iii*) for clause (*h*), the following clause shall be substituted, namely:—

"(*h*) where any sum has been allowed as a deduction or has not been included in the total income of any person, either on account of fulfilment of certain conditions or for any other reason, for any tax year beginning before the 1st April, 2026, and such sum was required to be included in the total income of any subsequent tax year including beginning on or after the 1st April, 2026 under the repealed Income-tax Act, if it had not been so repealed, on account of violation of such conditions or for any other reason, then such sum shall be—

(*i*) deemed to be the income of such subsequent tax year; and

(*ii*) included in the total income of the said person under the same head of income as it would have been included under the repealed Income-tax Act;";

(*iv*) in clause (*l*), for sub-clauses (*i*) and (*ii*), the following sub-clauses shall be substituted, namely:—

"(*i*) shall be deemed to be the amount eligible for credit under corresponding provisions or section 206(*3*) or (*4*) of this Act, as the case may be in the case of said assessee; and

(*ii*) credit for the tax paid under the repealed Income-tax Act shall be allowed under this Act for the period for which it would have been allowed under the repealed Income–tax Act if the assessee otherwise continues to satisfy the conditions as specified in the corresponding provisions or section 206(*3*) or (*4*) of this Act, as the case may be in such tax years;".

Amendment of Schedule III.

123. In Schedule III to the Income-tax Act, in the Table,—

(*a*) after serial number 38 and the entries relating thereto, the following shall be inserted, namely:—

A	B	C	D
'38A.	Disability Pension received (including service element and disability element).	An individual who has been a member of the armed forces (including paramilitary forces) of the Union.	(*a*) The individual has been invalided out of service in the armed forces on account of bodily disability attributable to, or aggravated by such service; and (*b*) the individual has not retired on superannuation or otherwise.
38B.	Any interest on compensation amount awarded by Motor Accident Claims Tribunal.	An individual or his legal heir.	Such interest is received under the Motor Vehicles Act, 1988 (59 of 1988).
38C.	Any income in respect of any award or agreement made on account of compulsory acquisition of any land.	An individual or a Hindu undivided family.	Such award or agreement is made under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (30 of 2013), except under section 46 of the said Act.

A	B	C	D
38D.	Any income chargeable under the head "Capital gains" arising from the transfer of specified capital asset.	An individual or a Hindu undivided family.	(*a*) Such eligible person was the owner of such specified capital asset as on the 2nd June, 2014; (*b*) such specified capital asset is transferred under the Land Pooling Scheme covered under the Andhra Pradesh Capital City Land Pooling Scheme (Formulation and Implementation) Rules, 2015 made under the provisions of the Andhra Pradesh Capital Region Development Authority Act, 2014 (Andhra Pradesh Act 11 of 2014) and the rules, regulations and Schemes made under the said Act; and (*c*) such eligible person was handed over possession of reconstituted plot or land on or before the 31st March, 2031.';

(*b*) after Note 11, the following Notes shall be inserted, namely:—

'Note 12: For the purposes of Sl. No. 38A,—

(*a*) the provisions as mentioned against the said serial number shall apply on or after such date as may be notified by the Central Government in this behalf; and

(*b*) pending such notification, the entire disability pension, that is, disability element and service element of a disabled officer of the Indian armed forces shall be exempt from income-tax.

Note 13: For the purposes of Sl. No. 38D, "specified capital asset" means—

(*a*) the land or building or both owned by the assessee as on the 2nd June, 2014 and which has been transferred under the Scheme; or

(*b*) the land pooling ownership certificate issued under the Scheme to the assessee in respect of land or building or both referred to in clause (*a*); or

(*c*) the reconstituted plot or land, as the case may be, received by the assessee *in lieu* of land or building or both referred to in clause (*a*) in accordance with the Scheme, if such plot or land, as the case may be, so received is transferred within two years from the end of the financial year in which the possession of such plot or land was handed over to him.'.

Amendment of Schedule IV.

124. In Schedule IV to the Income-tax Act,—

(*a*) in the Table, after serial number 13 and the entries relating thereto, the following shall be inserted, namely:—

A	B	C	D
"13A.	Any income arising on account of providing capital goods, equipment or tooling to a contract manufacturer, being a company resident in India.	A foreign company, who is providing capital goods, equipment or tooling to the contract manufacturer for use in electronic manufacturing in India.	(*a*) Ownership of such capital goods, equipment or tooling remains with the foreign company; (*b*) such capital goods, equipment or tooling is under the control and direction of the contract manufacturer; (*c*) the contract manufacturer is located in a custom bonded area, that is, a warehouse referred to in section 65 of the Customs Act, 1962 (52 of 1962); (*d*) the contract manufacturer produces electronic goods on behalf of the foreign company for a consideration; (*e*) such exemption shall be available up to the tax year 2030-2031.

A	B	C	D
13B.	Any income which accrues or arises outside India, and is not deemed to accrue or arise in India.	An individual, being a non-resident for a period of five consecutive tax years immediately preceding the tax year during which he visits India for the first time for rendering services in India in connection with any scheme as may be notified by the Central Government.	(*a*) Such individual, during the relevant tax year renders any service in India in connection with any scheme as may be notified by the Central Government; (*b*) such exemption shall not be available beyond a period of five consecutive tax years commencing from the first tax year during which he visits India in connection with such scheme; and (*c*) such other conditions, as may be prescribed.
13C.	Any income accruing or arising in India or deemed to accrue or arise in India by way of procuring data centre services from a specified data centre.	A foreign company.	(*a*) Such foreign company is notified by the Central Government in this behalf; (*b*) such foreign company does not own or operate any of the physical infrastructure or any resources of the specified data centre; (*c*) all sales by such foreign company to users located in India are made through a reseller entity being an Indian company; (*d*) such foreign company maintains and furnishes such information in such form and manner, as may be prescribed; and (*e*) such exemption shall be available up to tax year ending on the 31st March, 2047.”;

(*b*) after Note 2 below the Table, the following Note shall be inserted, namely:—

‘Note 3: For the purposes of Sl. No.13C,—

(*a*) "data centre" means a dedicated secure space within a building or centralised location where computing and networking equipment is concentrated for the purpose of collecting, storing, processing, distributing or allowing access to large amounts of data;

(*b*) "data centre services" means the services provided by a data centre through the use of physical infrastructure including land, buildings, mechanical electrical power equipments, cooling system, security and information technology infrastructure including servers, computers, storage systems, operating systems, security solutions, network and associated software platforms, networking and other equipment, human resource in India;

(*c*) "specified data centre" means a data centre which is—

(*i*) set up under an approved scheme and is notified in this behalf by the Central Government in the Ministry of Electronics and Information Technology; and

(*ii*) owned and operated by an Indian company.'.

Amendment of Schedule VI.

125. In Schedule VI to the Income-tax Act, in the Table, in Note 1, in clause (*g*),—

(*a*) for the long line, the following item shall be substituted, namely:—

"(*C*) of which all the units other than the unit held by a sponsor or manager are held by non-residents except,—

(*I*) where such non-resident becomes resident under section 6(*2*) or (*3*) or (*4*) or (*5*) or (*6*) or (*7*) in any tax year subsequent to that tax year; and

(*II*) the number of units held by such resident unit holder or holders do not exceed 5% of the total units issued and shall fulfil such other conditions as may be prescribed; or";

(*b*) in sub-clause (*ii*), in item (*A*), for the figures "2025", the figures "2030" shall be substituted.

Amendment of Schedule VII.

126. In Schedule VII to the Income-tax Act, in the Table, after Sl. No. 48 and the entries relating thereto, the following shall be inserted, namely:—

"49.	New Development Bank.	Such exemption shall be subject to furnishing of information in such form and manner, as may be prescribed.".

Amendment of Schedule XI.

127. In Schedule XI to the Income-tax Act,—

(*a*) in Part A,—

(*i*) in paragraph 4,—

(*A*) clause (*c*) shall be omitted;

(*B*) for clause (*f*), the following clause shall be substituted, namely:—

"(*f*) the fund shall be a fund—

(*i*) of an establishment to which the provisions of section 1(*3*) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 apply; or 19 of 1952.

(*ii*) of an establishment notified by the Central Provident Fund Commissioner under section 1(*4*) of the said Act,

and such establishment shall obtain exemption under section 17 of the said Act from the operation of all or any of the provisions of any scheme as referred to in that section;";

(*ii*) in paragraph 5, sub-paragraph (*4*) shall be omitted;

(*iii*) for paragraph 6, the following paragraph shall be substituted, namely:—

"6. Employer's annual contributions, when deemed to be income received by employee.—The portion of the annual accretion in the tax year to the balance of an employee in a recognised provident fund consisting of interest credited on the balance to the credit of an employee in so far as it is allowed at a rate exceeding such rate as fixed by the Central Government by notification, shall be deemed to have been received by the employee and included in his total income for that tax year and shall be liable to income-tax.";

(*b*) in Part C, in paragraph 1,—

(*i*) clause (*d*) shall be omitted;

(*ii*) for clause (*e*), the following clause shall be substituted, namely:—

"(*e*) to regulate investment or deposit of the moneys of a recognised or an approved fund;".

Amendment of Schedule XII.

128. In Schedule XII to the Income-tax Act, in Part A, after serial number 27 and the entries relating thereto, the following shall be inserted, namely:—

"28. Beryllium bearing minerals.

29. Glauconite.

30. Graphite.

31. Indium bearing minerals.

32. Lithium bearing minerals.

33. Niobium bearing minerals.

34. Potash.

35. Rhenium bearing minerals.

36. Tantalum bearing minerals.".

Amendment of Schedule XIV.

129. In Schedule XIV to the Income-tax Act, in paragraph 4,—

(*i*) in sub-paragraph (*1*), in clause (*a*), for the words "this rule", the words "this paragraph" shall be substituted;

(*ii*) after sub-paragraph (*2*), the following sub-paragraph shall be inserted, namely:—

"(*3*) The amount not deductible under sub-clause (*i*) or (*ii*) of section 35(*b*), which is added under sub-paragraph (*1*)(*a*), shall be allowed subsequently as a deduction in a tax year in accordance with the provisions of the said sub-clause, as the case may be.".

CHAPTER IV

THE FOREIGN ASSETS OF SMALL TAXPAYERS DISCLOSURE SCHEME, 2026

Short title and commencement.

130. (*1*) This Scheme may be called the Foreign Assets of Small Taxpayers Disclosure Scheme, 2026.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

131. (*1*) In this Scheme, unless the context otherwise requires,—

(*a*) "assessee" means a person,—

(*i*) being a resident in India within the meaning of section 6 of the Income-tax Act, 1961 in the previous year; or 43 of 1961.

(*ii*) being a non-resident or not ordinarily resident in India within the meaning of clause (*6*) of section 6 of the said Act in the previous year, who was resident in India either—

(*A*) in the previous year to which the income referred to in section 4 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 relates; or 22 of 2015.

(*B*) in the previous year in which the undisclosed asset located outside India was acquired;

(*b*) "assessment" includes reassessment;

(*c*) "assessment year" shall have the same meaning as assigned to it in clause (*9*) of section 2 of the Income-tax Act, 1961; 43 of 1961.

(*d*) "Board" means the Central Board of Direct Taxes constituted under section 3 of the Central Boards of Revenue Act, 1963; 54 of 1963.

(*e*) "declarant" means a person who files declaration under section 116;

(*f*) "declaration" means the declaration filed under section 116;

(*g*) "last date" means such date as may be notified by the Central Government in the Official Gazette;

(*h*) "prescribed" means prescribed by rules made under this Act;

(*i*) "previous year" shall have the same meaning as assigned to it in clause (*34*) of section 2 of the Income-tax Act, 1961; 43 of 1961.

(*j*) "undisclosed asset located outside India" means an asset (including financial interest in any entity) located outside India, held by the assessee in his name or in respect of which he is a beneficial owner, and he has no explanation about the source of investment in such asset or the explanation given by him, is in the opinion of the Assessing Officer, unsatisfactory;

(*k*) "undisclosed foreign income" means the total amount of income of an assessee from a source located outside India which was chargeable to tax in India but has not been offered to tax under the Income-tax Act, 1961; and 43 of 1961.

(*l*) "value of the asset" means the fair market value of the asset determined in such manner as may be prescribed.

(*2*) Words and expressions used herein and not defined but defined in the Income-tax Act, 1961 or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 or the Income-tax Act, 2025 shall have the meanings respectively assigned to them in those Acts. 43 of 1961. 22 of 2015. 30 of 2025.

Declaration by declarant.

132. Subject to the provisions of this Scheme, any person may make, on or after the date of commencement of this Scheme but on or before the last date, a declaration, for any previous year, in respect of any income or asset referred to in section 117, where—

(*a*) he has failed to furnish a return under section 139 of the Income-tax Act, 1961; or

43 of 1961.

(*b*) he has failed to disclose such asset or income, in a return of income furnished by him under the Income-tax Act, 1961 before the date of commencement of this Scheme; or

43 of 1961.

(*c*) such asset or income has escaped assessment within the meaning of section 147 of the Income-tax Act, 1961.

43 of 1961.

Amount payable by declarant.

133. The declaration referred to in section 116 may be filed in respect of assets or income as specified in column (2) of the Table below and in respect of such assets or income, the amount payable by the declarant under this Scheme shall be as specified in column (3), subject to the conditions in column (4), of the said Table:

TABLE

Sl. No.	Type of assets or income	Amount payable	Conditions
(1)	(2)	(3)	(4)
1.	(*a*) Undisclosed asset located outside India; or (*b*) undisclosed foreign income.	Aggregate of,— (*i*) tax at the rate of thirty per cent. of the value of the undisclosed asset located outside India as on the 31st March, 2026; (*ii*) tax at the rate of thirty per cent. of the undisclosed foreign income; and (*iii*) an amount equal to one hundred per cent. of tax determined in clauses (*i*) and (*ii*).	The aggregate value of the undisclosed asset located outside India and the undisclosed foreign income does not exceed one crore rupees.
2.	(*a*) Asset located outside India acquired from income accruing or arising outside India, by an assessee, during the period in which such assessee was a non-resident, but such assets were not declared by him in the relevant Schedule in the return of income on becoming a resident; or	A fee of one lakh rupees.	The value of the asset located outside India does not exceed five crore rupees.

(1)	(2)	(3)	(4)
	(*b*) asset located outside India acquired from income which has been offered to tax under the Income-tax Act, 1961 (43 of 1961) by the assessee, but such assets were not declared by him in the relevant Schedule in the return of income.		

Manner of making declaration.

134. (*1*) A declaration under section 116 shall be made complete in all respects to the prescribed income-tax authority, in such form and shall be verified in such manner, as may be prescribed.

(*2*) The verification referred to in sub-section (*1*) shall be made electronically, so as to verify that—

(*a*) the assessee making the declaration is an eligible assessee; and

(*b*) the declaration of income or assets is in accordance with the provisions of this Scheme.

(*3*) The declaration made under sub-section (*1*) shall be deemed to be invalid, if—

(*a*) any material particular furnished in the declaration is found to be false at any stage; or

(*b*) the declarant violates any of the conditions referred to in this Scheme.

Procedure relating to manner of payment.

135. (*1*) After electronic verification of the declaration as specified in sub-section (*2*) of section 118, the amount payable by the assessee shall be communicated electronically, within a period of one month from the end of the month in which the declaration is made, by way of an order in such form and manner, as may be prescribed.

(*2*) The assessee shall pay the amount determined under sub-section (*1*) within a period of two months from the end of the month in which the order referred to in the said sub-section was received by him and the payment shall be made in such manner, as may be prescribed.

(*3*) Where the assessee fails to pay the amount determined under sub-section (*1*) or any part thereof within the period specified in sub-section (*2*), the assessee may pay such amount within a further period not exceeding two months, along with simple interest at the rate of one per cent. for every month or part of a month on such amount.

(*4*) The assessee shall, upon making the payment under sub-section (*2*) or sub-section (*3*), as the case may be, intimate the details of such payment to the prescribed income-tax authority, in such form and manner, as may be prescribed, within the extended period specified in sub-section (*3*).

(*5*) Upon receipt of the intimation referred to in sub-section (*4*), where the intimation is in accordance with the order under sub-section (*1*), an order certifying the payment of the amount as per the declaration, shall be communicated electronically to the assessee, in such form and manner, as may be prescribed, within one month from the end of the month of receipt of such intimation.

(*6*) Every order made under sub-section (*5*) shall be conclusive as to the matters stated therein.

Any income or asset declared not to be included in total income.

136. The income or the amount of investment in an asset, which has been declared in the manner provided in section 118 shall not be included in the total income of the declarant for any assessment year under the Income-tax Act, 1961 or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, if the declarant makes the payment of amount referred to in section 119 within the extended period specified in sub-section (*3*) of the said section.

43 of 1961.

22 of 2015.

Any income or asset declared not to affect finality of completed assessments.

137. In respect of income or asset declared or any amount paid thereon, the declarant shall not be entitled to claim for rectification or revision of any assessment made under the Income-tax Act, 1961 or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 or claim any set off or relief in any appeal, reference or other proceeding in relation to any such assessment.

43 of 1961.

22 of 2015.

Amount paid in pursuance of declaration non-refundable.

138. No amount paid under section 119 in pursuance of a declaration made in the manner provided in section 118 shall be refundable.

Grant of immunity from penalty and prosecution.

139. Notwithstanding anything contained in the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, a declarant who makes a valid declaration under this Scheme and pays any amount, whether as tax, fee or otherwise, as the case may be, in accordance with the provisions of this Scheme, shall be granted immunity from the levy of any further tax or penalty and also from prosecution under the said Act in respect of income or asset so declared, for the previous year ending on the 31st March, 2026 or any earlier previous year.

22 of 2015.

Non-application of Scheme.

140. The provisions of this Scheme shall not apply in respect of—

(*a*) any income or asset which represents, directly or indirectly, proceeds of crime in respect of which proceedings have been initiated, or pending under the Prevention of Money-laundering Act, 2002; or

15 of 2003.

(*b*) any income or asset relating to an assessment year for which assessment proceedings have been completed under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

22 of 2015.

Effect of declaration on pending assessment proceedings.

141. Where a declaration of any income or asset is made under this Scheme and assessment proceedings under the Income-tax Act, 1961 or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 are pending in respect of such income or assets, the Assessing Officer shall take such declaration into account while finalising such assessment order.

43 of 1961.

22 of 2015.

Power of Board to issue directions, etc.

142. (*1*) The Board may, from time to time, issue such directions or orders to the prescribed income-tax authorities, as it may deem fit:

Provided that no direction or order shall be issued so as to require that a particular case be disposed of in a particular manner.

(*2*) Without prejudice to the generality of the foregoing power, the Board may, if it considers necessary or expedient so to do, for the purposes of this Scheme, including collection of revenue, issue from time to time, general or special orders in respect of any class of cases, setting forth directions or instructions as to the guidelines, principles or procedures to be followed by the prescribed income-tax authorities in any work relating to this Act, including collection of revenue and issue such order, by way of relaxation of any provision of this Chapter or otherwise, if the Board is of the opinion that it is necessary in the public interest so to do.

Power to make rules.

143. (*1*) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Scheme.

(*2*) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the form in which a declaration may be made and the manner of its verification under sub-section (*1*) of section 118;

(*b*) the form and manner in which order shall be passed under sub-section (*1*) of section 119;

(*c*) the manner of making payment under sub-section (*2*) of section 119;

(*d*) the form and manner of intimation of payment under sub-section (*4*) of section 119;

(*e*) the form and manner in which the order certifying the payment shall be communicated under sub-section (*5*) of section 119;

(*f*) the manner of calculating the value of the asset under this Scheme;

(*g*) the manner of calculating the amount payable under this Scheme;

(*h*) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules for carrying out the provisions of this Scheme.

(*3*) Every rule made by the Central Government under this Scheme shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to remove difficulties.

144. (*1*) If any difficulty arises in giving effect to the provisions of this Scheme, the Central Government may, by order, not inconsistent with the provisions of this Scheme, remove the difficulty.

(*2*) No order under sub-section (*1*) shall be made after the expiry of period of two years from the date on which provisions of this Scheme come into force.

(*3*) Every order made under sub-section (*1*) shall, as soon as may be after it is made, be laid before each House of Parliament.

CHAPTER V

INDIRECT TAXES

Customs

Amendment of section 1.

145. In the Customs Act, 1962 (hereinafter referred to as the Customs Act), in section 1, in sub-section (*2*), after the words "whole of India", the words ", fishing and fishing related activities by Indian-flagged fishing vessels beyond territorial waters of India" shall be inserted. 52 of 1962.

Amendment of section 2.

146. In section 2 of the Customs Act, clause (*28A*) shall be renumbered as clause (*28B*) thereof and before clause (*28B*) as so renumbered, the following clause shall be inserted, namely:—

'(*28A*) "Indian-flagged fishing vessel" means a vessel which is used or intended to be used for the purpose of fishing in the seas and entitled to fly the flag of India;'.

Amendment of section 28.

147. In section 28 of the Customs Act, in sub-section (*6*), in clause (*i*), for the words "be deemed to be conclusive as to the matters stated therein", the words, brackets and figure ", be deemed to be conclusive as to the matters stated therein and penalty so paid under sub-section (*5*), on determination under this sub-section, shall also be deemed to be a charge for non-payment of duty" shall be substituted.

Amendment of section 28J.

148. In the Customs Act, in section 28J, in sub-section (*2*),—

(*a*) for the words "three years", the words "five years" shall be substituted;

(*b*) for the proviso, the following proviso shall be substituted, namely:—

"Provided that in respect of any advance ruling in force on the date on which the Finance Bill, 2026 receives the assent of the President, the Authority shall, upon a request by the applicant, extend the validity for five years from the date of the ruling.".

Insertion of new section 56A.

149. After section 56 of the Customs Act, the following section shall be inserted, namely:—

Special provision for fishing and fishing related activities.

"56A. (*1*) Notwithstanding anything contained in this Act or in any other law for the time being in force, fish harvested by an Indian-flagged fishing vessel beyond territorial waters of India,—

(*a*) may be brought into India free of duty;

(*b*) that has landed at foreign port may be treated as export of goods,

in such manner and subject to such conditions as may be provided by rules.

(*2*) The Board may make regulations providing for the form and manner of making an entry in respect of fish harvested including its declaration, custody, examination, assessment of duty, clearance, transit or transhipment.".

Substitution of new section for section 67.

150. In the Customs Act, for section 67, the following section shall be substituted, namely:—

Removal of goods from one warehouse to another.

"67. The owner of any warehoused goods may remove them from one warehouse to another, subject to such conditions as may be prescribed.".

Amendment of section 84.

151. In section 84 of the Customs Act, in clause (*b*), for the words "the examination", the words "the custody, examination" shall be substituted.

Customs Tariff

51 of 1975.

Amendment of First Schedule.

152. In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), the First Schedule shall—

(*a*) be amended in the manner specified in the Second Schedule;

(*b*) be also amended in the manner specified in the Third Schedule; and

(*c*) with effect from the 1st day of May, 2026, be also amended in the manner specified in,—

(*i*) the Fourth Schedule; and

(*ii*) the Fifth Schedule.

Central Goods and Services Tax

12 of 2017.

Amendment of section 15.

153. In the Central Goods and Services Tax Act, 2017, (hereinafter referred to as the Central Goods and Services Tax Act), in section 15, in sub-section (*3*), for clause (*b*), the following clause shall be substituted, namely:—

"(*b*) after the supply has been effected, if for such discount, a credit note has been issued by the supplier and input tax credit as is attributable to such discount has been reversed by the recipient of the supply, in accordance with the provisions of section 34.".

Amendment of section 34.

154. In section 34 of the Central Goods and Services Tax Act, in sub-section (*1*), after the words "both supplied are found to be deficient", the words, brackets, letter and figures "or where a discount referred to in clause (*b*) of sub-section (*3*) of section 15 is given" shall be inserted.

Amendment of section 54.

155. In section 54 of the Central Goods and Services Tax Act,—

(*a*) in sub-section (*6*), after the words "supply of goods or services or both", the words, brackets and figures "or of unutilised input tax credit allowed under clause (*ii*) of the first proviso to sub-section (*3*)" shall be inserted;

(*b*) in sub-section (*14*), after the words, brackets and figures "sub-section (*5*) or sub-section (*6*)", the words ", other than cases where refund of tax is claimed on account of goods exported out of India with payment of tax," shall be inserted.

Amendment of section 101A.

156. In section 101A of the Central Goods and Services Tax Act, after sub-section (*1*), the following sub-section shall be inserted, namely:—

'(*1A*) Notwithstanding anything contained in sub-section (*1*), till the National Appellate Authority is constituted under that sub-section, the Government, may on the recommendations of the Council, by notification, empower any existing Authority constituted under any law for the time being in force to hear appeals made under section 101B and in such case,—

(*a*) the provisions of sub-sections (*2*) to (*13*) shall not apply; and

(*b*) any reference to the National Appellate Authority under this Chapter shall be construed as a reference to such Authority.

Explanation.—For the purposes of this sub-section, the expression "existing Authority" shall include a Tribunal.'.

Integrated Goods and Services Tax

Amendment of section 13.

157. In section 13 of the Integrated Goods and Services Tax Act, 2017, in sub-section (*8*), clause (*b*) shall be omitted. 13 of 2017.

CHAPTER VI

MISCELLANEOUS

PART I

AMENDMENT TO THE FINANCE ACT, 2001

Amendment of Seventh Schedule to Act 14 of 2001.

158. In the Finance Act, 2001, the Seventh Schedule shall be amended in the manner specified in the Sixth Schedule, with effect from the 1st day of May, 2026.

PART II

AMENDMENTS TO THE FINANCE (NO. 2) ACT, 2004

Amendment of Act 23 of 2004.

159. In the Finance (No. 2) Act, 2004, in section 98, in the Table, against serial number 4,—

(*i*) against entry (*a*) relating to sale of an option in securities, in column (*3*), for the figures and word "0.1 per cent.", the figures and word "0.15 per cent." shall be substituted;

(*ii*) against entry (*b*) relating to sale of an option in securities, where option is exercised, in column (*3*), for the figures and word "0.125 per cent.", the figures and word "0.15 per cent." shall be substituted;

(*iii*) against entry (*c*) relating to sale of a futures in securities, in column (*3*), for the figures and word "0.02 per cent.", the figures and word "0.05 per cent." shall be substituted.

PART III

AMENDMENTS TO THE BLACK MONEY (UNDISCLOSED FOREIGN INCOME AND ASSETS) AND IMPOSITION OF TAX ACT, 2015

Amendment of Act 22 of 2015.

160. In the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015,—

(*a*) in section 49, after the proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2024, namely:—

"Provided further that this section shall not apply in respect of an asset or assets (other than immovable property), where the aggregate value of such asset or assets does not exceed twenty lakh rupees.";

(*b*) in section 50, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2024, namely:—

"Provided that this section shall not apply in respect of an asset or assets (other than immovable property), where the aggregate value of such asset or assets does not exceed twenty lakh rupees.".

PART IV

AMENDMENT TO THE FINANCE ACT, 2025

Amendment of Act 7 of 2025.

161. In the Finance Act, 2025, in section 20, in clause (*a*), in sub-clause (*ii*), for the word "both", the word "all" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2025.

THE FIRST SCHEDULE

(*See* sections 2 and 3)

PART I

A.—INCOME-TAX UNDER THE INCOME-TAX ACT, 1961

Paragraph A

(*I*) In the case of every individual other than the individual referred to in items (*II*) and (*III*) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in section 2(*31*)(*vii*) of the Income-tax Act, 1961 (43 of 1961) (hereafter in this Part I-A referred to as the said Act), not being a case to which Paragraphs B, C, D and E of this Part applies,—

Rates of income-tax

(*1*) where the total income does not exceed Rs. 2,50,000	*Nil*;
(*2*) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 2,50,000;
(*3*) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 12,500 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(*4*) where the total income exceeds Rs.10,00,000	Rs. 1,12,500 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(*II*) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

(*1*) where the total income does not exceed Rs. 3,00,000	*Nil*;
(*2*) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000	5 per cent. of the amount by which the total income exceeds Rs. 3,00,000;
(*3*) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 10,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(*4*) where the total income exceeds Rs. 10,00,000	Rs. 1,10,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(*III*) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

(*1*) where the total income does not exceed Rs. 5,00,000	*Nil*;
(*2*) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
(*3*) where the total income exceeds Rs. 10,00,000	Rs. 1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(*1*) where the total income does not exceed Rs. 10,000	10 per cent. of the total income;
(*2*) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(*3*) where the total income exceeds Rs. 20,000	Rs. 3,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	30 per cent.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	30 per cent.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—	
(*i*) where its total turnover or the gross receipt in the previous year 2023-24 does not exceed Rs. 400 crores	25 per cent. of the total income;
(*ii*) other than that referred to in item (*i*)	30 per cent. of the total income.
II. In the case of a company other than a domestic company,—	
(*i*) on so much of the total income as consists of,— (*a*) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st March, 1961 but before the 1st April, 1976; or	50 per cent.;

(*b*) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th February, 1964 but before the 1st April, 1976, and where such agreement has, in either case, been approved by the Central Government;	
(*ii*) on the balance, if any, of the total income	35 per cent.

Paragraph F

Surcharge on income-tax

The amount of income-tax computed in accordance with Paragraphs A to E, or the provisions of section 111A or section 112 or section 112A of the said Act, in the case of person as specified in column B in Table 1 below, shall be increased by a surcharge, for the purposes of the Union, calculated at the rate or rates as specified in column C of the said Table, of such income-tax.

TABLE 1

Sl. No.	Person	Rate of surcharge
A	B	C
1.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*31*)(*vii*) of the said Act.	(*i*) Where the total income (including dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act) exceeds Rs. 50,00,000 but does not exceed Rs. 1,00,00,000, at the rate of 10 per cent.; (*ii*) where the total income (including dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act) exceeds Rs. 1,00,00,000 but does not exceed Rs. 2,00,00,000, at the rate of 15 per cent.; (*iii*) where the total income (excluding dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act) exceeds Rs. 2,00,00,000 but does not exceed Rs. 5,00,00,000, at the rate of 25 per cent.; (*iv*) where the total income (excluding dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act) exceeds Rs. 5,00,00,000, at the rate of 37 per cent.;

A	B	C
		(v) where the total income (including dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act) exceeds Rs. 2,00,00,000 but is not covered in clauses (*iii*) and (*iv*), at the rate of 15 per cent.; (*vi*) where the total income includes any dividend income or capital gains under the provisions of sections 111A, 112 and 112A of the said Act, the rate of surcharge on the amount of income-tax computed in respect of that part of income shall not exceed 15 per cent. and the provisions of clause (*i*) or (*ii*), as the case may be, shall apply accordingly.
2.	Association of persons consisting of only companies as its members.	(*i*) Where the total income exceeds Rs. 50,00,000 but does not exceed Rs. 1,00,00,000, at the rate of 10 per cent; (*ii*) where the total income exceeds Rs. 1,00,00,000, at the rate of 15 per cent.
3.	Every co-operative society.	(*i*) Where the total income exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000, at the rate of 7 per cent; (*ii*) where the total income exceeds Rs. 10,00,00,000, at the rate of 12 per cent.
4.	Every firm or local authority.	Where the total income exceeds Rs. 1,00,00,000, at the rate of 12 per cent.
5.	Every domestic company.	(*i*) Where the total income exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000, at the rate of 7 per cent; (*ii*) where the total income exceeds Rs. 10,00,00,000, at the rate of 12 per cent.
6.	Every company, other than a domestic company.	(*i*) Where the total income exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000, at the rate of 2 per cent; (*ii*) where the total income exceeds Rs. 10,00,00,000, at the rate of 5 per cent.

Further, in respect of the persons mentioned in column B of the Table 2 below, having total income exceeding the amount as specified in column C of the said Table but does not exceed the amount specified in column D thereof, the total amount payable as income-tax and surcharge thereon shall not exceed the amount determined as per the following formula:—

$W_o = U_o + V_o$

where,—

W_o= the total amount beyond which the total amount payable as income-tax and surcharge thereon shall not exceed;

U_o= the total amount payable as income-tax and surcharge, if applicable, on an amount as specified in column C of the Table 2 below; and

V_o= the total income – amount as specified in column C of the said Table.

TABLE 2

Sl. No.	Person	Amount	Amount
A	B	C	D
1.	Table 1: Sl. No. 1.B.	Rs. 50,00,000. Rs. 1,00,00,000. Rs. 2,00,00,000. Rs. 5,00,00,000.	Rs. 1,00,00,000. Rs. 2,00,00,000. Rs. 5,00,00,000. -
2.	Table 1: Sl. No. 2.B.	Rs. 50,00,000. Rs. 1,00,00,000.	Rs. 1,00,00,000. -
3.	Table 1: Sl. No. 3.B.	Rs. 1,00,00,000. Rs. 10,00,00,000.	Rs. 10,00,00,000. -
4.	Table 1: Sl. No. 4.B.	Rs. 1,00,00,000.	-
5.	Table 1: Sl. Nos. 5.B and 6.B.	Rs. 1,00,00,000. Rs. 10,00,00,000.	Rs. 10,00,00,000. -

B.— INCOME-TAX UNDER THE INCOME-TAX ACT, 2025

Paragraph A

(*I*) In the case of every individual other than the individual referred to in items (*II*) and (*III*) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in section 2(*77*)(*g*) of the Income-tax Act, 2025 (hereafter in this Part I-B referred to as the said Act), not being a case to which Paragraphs B, C, D and E of this Part applies,— 30 of 2025.

Rates of income-tax

(*1*) where the total income does not exceed ₹ 250000	*Nil*;
(*2*) where the total income exceeds ₹ 250000 but does not exceed ₹ 500000	5% of the amount by which the total income exceeds ₹ 250000;
(*3*) where the total income exceeds ₹ 500000 but does not exceed ₹ 1000000	₹ 12500 *plus* 20% of the amount by which the total income exceeds ₹ 500000;
(*4*) where the total income exceeds ₹ 1000000	₹ 112500 *plus* 30% of the amount by which the total income exceeds ₹ 1000000.

(*II*) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the tax year,—

Rates of income-tax

(*1*) where the total income does not exceed ₹ 300000	*Nil*;
(*2*) where the total income exceeds ₹ 300000 but does not exceed ₹ 500000	5% of the amount by which the total income exceeds ₹ 300000;
(*3*) where the total income exceeds ₹ 500000 but does not exceed ₹ 1000000	₹ 10000 *plus* 20% of the amount by which the total income exceeds ₹ 500000;
(*4*) where the total income exceeds ₹ 1000000	₹ 110000 *plus* 30% of the amount by which the total income exceeds ₹ 1000000.

(*III*) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the tax year,—

Rates of income-tax

(*1*) where the total income does not exceed ₹ 500000	*Nil*;
(*2*) where the total income exceeds ₹ 500000 but does not exceed ₹ 1000000	20% of the amount by which the total income exceeds ₹ 500000;
(*3*) where the total income exceeds ₹ 1000000	₹ 100000 *plus* 30% of the amount by which the total income exceeds ₹ 1000000.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(*1*) where the total income does not exceed ₹ 10000	10% of the total income;
(*2*) where the total income exceeds ₹ 10000 but does not exceed ₹ 20000	₹ 1000 *plus* 20% of the amount by which the total income exceeds ₹ 10000;
(*3*) where the total income exceeds ₹ 20000	₹ 3000 *plus* 30% of the amount by which the total income exceeds ₹ 20000.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	30%.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	30%.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—	
(*i*) where its total turnover or the gross receipt in the tax year 2024-25 does not exceed ₹ 400 crores;	25% of the total income;
(*ii*) other than that referred to in item (*i*).	30% of the total income.
II. In the case of a company other than a domestic company,—	
(*i*) on so much of the total income as consists of,— (*a*) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st March, 1961 but before the 1st April, 1976; or (*b*) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th February, 1964 but before the 1st April, 1976, and where such agreement has, in either case, been approved by the Central Government;	50%;
(*ii*) on the balance, if any, of the total income.	35%.

Paragraph F

Surcharge on income-tax

The amount of income-tax computed in accordance with Paragraphs A to E, or the provisions of section 196, 197 or 198 of the said Act, in the case of person as specified in column B in Table 1 below, shall be increased by a surcharge, for the purposes of the Union, calculated at the rate or rates as specified in column C of the said Table, of such income-tax.

TABLE 1

Sl. No.	Person	Rate of surcharge
A	B	C
1.	(*i*) Every individual; (*ii*) Hindu undivided family; or	(*i*) Where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%;

A	B	C
	(*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act.	(*ii*) where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the total income (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%; (*iv*) where the total income (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 50000000, at the rate of 37%; (*v*) where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000, but is not covered in (*iii*) and (*iv*) above, at the rate of 15%; (*vi*) where the total income includes any dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act, the rate of surcharge on the amount of income-tax computed in respect of that part of income shall not exceed 15% and the provisions of clause (*i*) or (*ii*), as the case may be, shall apply accordingly.
2.	Association of persons consisting of only companies as its members.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000, at the rate of 15%.
3.	Every co-operative society.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 12%.
4.	Every firm or local authority.	Where the total income exceeds ₹ 10000000, at the rate of 12%.
5.	Every domestic company.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 12%.
6.	Every company, other than a domestic company.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 2%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 5%.

Further, in respect of the persons mentioned in column B of the Table 2 below, having total income exceeding the amount as specified in column C of the said Table but does not exceed the amount specified in column D thereof, the total amount payable as income-tax and surcharge thereon shall not exceed the amount determined as per the following formula:—

Wn = Un + Vn

where,—

Wn = the total amount beyond which the total amount payable as income-tax and surcharge thereon shall not exceed;

Un = the total amount payable as income-tax and surcharge, if applicable, on an amount as specified in column C of the Table 2 below; and

Vn = the total income – amount as specified in column C of the said Table.

TABLE 2

Sl. No.	Person	Amount	Amount
A	B	C	D
1.	Table 1: Sl. No. 1.B.	₹ 50,00,000. ₹ 1,00,00,000. ₹ 2,00,00,000. ₹ 5,00,00,000.	₹ 1,00,00,000. ₹ 2,00,00,000. ₹ 5,00,00,000. -
2.	Table 1: Sl. No. 2.B.	₹ 50,00,000. ₹1,00,00,000.	₹ 1,00,00,000. -
3.	Table 1: Sl. No. 3.B.	₹ 1,00,00,000. ₹ 10,00,00,000.	₹ 10,00,00,000. -
4.	Table 1: Sl. No. 4.B.	₹ 1,00,00,000.	-
5.	Table 1: Sl. Nos. 5.B and 6.B.	₹1,00,00,000. ₹ 10,00,00,000.	₹ 10,00,00,000. -

PART II

RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 393(*1*) [Table: Sl. Nos. 1(i) and 5], 393(*2*) [Table: Sl. Nos. 7, 8, 9 and 17] and 393(*3*) [Table: Sl. Nos. 1, 2 and 3] of the Income-tax Act, 2025 (30 of 2025) (hereafter in this Part referred to as the said Act), tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates:—

		Rate of income-tax
1.	In the case of a person other than a company— (*a*) where the person is resident in India,—	
	(*i*) on income by way of interest other than "Interest on securities"	10%;

	(*ii*) on income by way of winnings from lotteries, puzzles, card games and other games of any sort (other than winnings from online games)	30%;
	(*iii*) on income by way of winnings from horse races	30%;
	(*iv*) on income by way of net winnings from online games	30%;
	(*v*) on income by way of insurance commission	2%;
	(*vi*) on income by way of interest payable on— (*A*) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act (*B*) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder (*C*) any security of the Central Government or State Government	10%;
	(*vii*) on any other income	10%;
	(*b*) where the person is not resident in India,—	
	(*i*) in the case of a non-resident Indian,—	
	(*A*) on any investment income	20%;
	(*B*) on income by way of long-term capital gains referred to in section 214 or 197(*4*) of the said Act	12.5%;
	(*C*) on income by way of long-term capital gains referred to in section 198 of the said Act exceeding ₹ 125000	12.5%;
	(*D*) on other income by way of long-term capital gains [not being long-term capital gains referred to in Schedule II [Table: Sl. Nos. 14 and 17] [to the extent it relates to section 10(*36*) of the Income-tax Act, 1961 (43 of 1961)] of the said Act]	12.5%;
	(*E*) on income by way of short-term capital gains referred to in section 196 of the said Act	20%;
	(*F*) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 393(*2*) [Table: Sl. Nos. 2 to 5] of the said Act)	20%;

	(*G*) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book referred to in section 207(*3*)(*a*) of the said Act, to the Indian concern, or in respect of any computer software referred to in section 207(*3*)(*b*) of the said Act, to a person resident in India	20%;
	(*H*) on income by way of royalty [not being royalty of the nature referred to in sub-item (*b*)(*i*)(*G*)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy of the Government of India, the agreement is in accordance with that policy	20%;
	(*I*) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy of the Government of India, the agreement is in accordance with that policy	20%;
	(*J*) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games)	30%;
	(*K*) on income by way of winnings from horse races	30%;
	(*L*) on income by way of net winnings from online games	30%;
	(*M*) on income by way of dividend, referred to in section 207(*1*) [Table: Sl. No. 2] of the said Act	10%;
	(*N*) on income by way of dividend other than the income referred to in sub-item (*b*)(*i*)(*M*)	20%;
	(*O*) on the whole of the other income	30%;
	(*ii*) in the case of any other person,—	
	(*A*) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 393(*2*) [Table: Sl. Nos. 2 to 5] of the said Act)	20%;

	(*B*) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book referred to in section 207(*3*)(*a*) of the said Act, to the Indian concern, in respect of any computer software referred to in section 207(*3*)(*b*) of the said Act, to a person resident in India	20%;
	(*C*) on income by way of royalty [not being royalty of the nature referred to in sub-item (*b*)(*ii*)(*B*)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy of the Government of India, the agreement is in accordance with that policy	20%;
	(*D*) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy of the Government of India, the agreement is in accordance with that policy	20%;
	(*E*) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games)	30%;
	(*F*) on income by way of winnings from horse races	30%;
	(*G*) on income by way of net winnings from online games	30%;
	(*H*) on income by way of short-term capital gains referred to in section 196 of the said Act	20%;
	(*I*) on income by way of long-term capital gains referred to in section 197(*4*) of the said Act	12.5%;
	(*J*) on income by way of long-term capital gains referred to in section 198 of the said Act exceeding ₹ 125000	12.5%;

	(*K*) on other income by way of long-term capital gains [not being long-term capital gains referred to in Schedule II [Table: Sl. Nos. 14 and 17] [to the extent it relates to section 10(*36*) of the Income-tax Act, 1961 (43 of 1961)] of the said Act	12.5%;
	(*L*) on income by way of dividend, referred to in section 207(*1*) [Table: Sl. No. 2] of the said Act	10%;
	(*M*) on income by way of dividend other than the income referred to in sub-item (*b*)(*ii*)(*L*)	20%;
	(*N*) on the whole of the other income	30%;
2.	In the case of a company,— (*a*) where the company is a domestic company—	
	(*i*) on income by way of interest other than "Interest on securities"	10%;
	(*ii*) on income by way of winnings from lotteries, puzzles, card games and other games of any sort (other than winnings from online games)	30%;
	(*iii*) on income by way of winnings from horse races	30%;
	(*iv*) on income by way of net winnings from online games	30%;
	(*v*) on any other income	10%;
	(*b*) where the company is not a domestic company—	
	(*i*) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort (other than winnings from online games)	30%;
	(*ii*) on income by way of winnings from horse races	30%;
	(*iii*) on income by way of net winnings from online games	30%;
	(*iv*) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 393(*2*) [Table: Sl. Nos. 2 to 5] of the said Act)	20%;
	(*v*) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book referred to in section 207(*3*)(*a*) of the said Act, to the Indian concern, or in respect of any computer software referred to in section 207(*3*)(*b*) of the said Act, to a person resident in India	20%;

	(*vi*) on income by way of royalty [not being royalty of the nature referred to in item (*b*)(*v*)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy of the Government of India, the agreement is in with that policy—	
	(*A*) where the agreement is made after the 31st March, 1961 but before the 1st April, 1976	50%;
	(*B*) where the agreement is made after the 31st March, 1976	20%;
	(*vii*) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy of the Government of India, the agreement is in accordance with that policy—	
	(*A*) where the agreement is made after the 29th February, 1964 but before the 1st April, 1976	50%;
	(*B*) where the agreement is made after the 31st March, 1976	20%;
	(*viii*) on income by way of short-term capital gains referred to in section 196 of the said Act	20%;
	(*ix*) on income by way of long-term capital gains referred to in section 197(*4*) of the said Act	12.5%;
	(*x*) on income by way of long-term capital gains referred to in section 198 of the said Act exceeding ₹ 125000	12.5%;
	(*xi*) on other income by way of long-term capital gains [not being long-term capital gains referred to in Schedule II] [Table: Sl. Nos. 14 and 17] [to the extent it relates to section 10(*36*) of the Income-tax Act, 1961 (43 of 1961)] of the said Act	12.5%;
	(*xii*) on income by way of dividend, referred to in section 207(*1*) [Table: Sl. No. 2] of the said Act	10%;
	(*xiii*) on income by way of dividend other than the income referred to in item (*b*)(*xii*)	20%;
	(*xiv*) on any other income	35%;

Note.—For the purposes of item 1(*b*)(*i*) of this Part, "investment income" and "non-resident Indian" shall have the meanings respectively assigned to them in section 212 of the said Act.

Surcharge on income-tax

The amount of income-tax deducted as per the provisions of this Part, in the case of a person as specified in column B of the Table below, shall be increased by a surcharge, for the purposes of the Union, calculated at the rate or rates as specified in column C of the said Table, of such tax.

TABLE

Sl. No.	Person in respect of which deduction has to be made	Rate of surcharge
A	B	C
1.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, being a non-resident, except in case where the income of such person, is chargeable to tax under section 202 of the said Act.	(*i*) Where the income or the aggregate of such incomes (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) paid or likely to be paid and subject to the deduction exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the income or the aggregate of such incomes (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) paid or likely to be paid and subject to the deduction exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the income or the aggregate of such incomes (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) paid or likely to be paid and subject to the deduction exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%; (*iv*) where the income or the aggregate of such incomes (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) paid or likely to be paid and subject to the deduction exceeds ₹ 50000000, at the rate of 37%; (*v*) where the income or the aggregate of such incomes (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) paid or likely to be paid and subject to the deduction exceeds ₹ 20000000, but is not covered under clauses (*iii*) and (*iv*), at the rate of 15%; (*vi*) where the total income includes dividend income or capital gains under sections 196, 197 and 198 of the said Act, the rate of surcharge on the amount of income-tax computed in respect of that part of income shall not exceed 15% and the clause (*i*) or (*ii*), as the case may be, shall apply accordingly.

A	B	C
2.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, being a non-resident where the income of such person is chargeable to tax under section 202 of the said Act.	(*i*) Where the income or the aggregate of such incomes (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) paid or likely to be paid and subject to the deduction exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the income or the aggregate of such incomes (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) paid or likely to be paid and subject to the deduction exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the income or the aggregate of such incomes (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) paid or likely to be paid and subject to the deduction exceeds ₹ 20000000, at the rate of 25%; (*iv*) where the income or the aggregate of such incomes (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) paid or likely to be paid and subject to the deduction exceeds ₹ 20000000 but is not covered under clause (*iii*), at the rate of 15%; (*v*) where the total income includes dividend income or capital gains under sections 196, 197 and 198 of the said Act, the rate of surcharge on the amount of income-tax deducted in respect of that part of income shall not exceed 15% and the clause (*i*) or (*ii*), as the case may be, shall apply accordingly.
3.	Association of persons, being a non-resident, and consisting of only companies as its members.	(*i*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000, at the rate of 15%.
4.	Every co-operative society, being a non-resident.	(*i*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 100000000, at the rate of 12%.

A	B	C
5.	Every firm, being a non-resident.	Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000, at the rate of 12%.
6.	Every company, other than a domestic company.	(*i*) Where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 2%; (*ii*) where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ₹ 100000000, at the rate of 5%.

PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING "ADVANCE TAX"

In cases in which income-tax has to be charged under section 316(*5*) of the Income-tax Act, 2025 (30 of 2025) (hereafter in this Part referred to as the said Act) or section 317(*2*) or 318 or 319 or 320(*2*) of the said Act or deducted from, or paid on, from income chargeable under the head "Salaries" under section 392 [other than sub-section (*7*) of the said section] of the said Act or deducted under section 393(*1*) [Table: Sl. No. 8(*iii*)] of the said Act or in which the "advance tax" payable under Chapter XIX-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance tax" [not being "advance tax" in respect of any income chargeable to tax under Part A, B, C or D of Chapter XIII or section 207 to 218, 223, 224, 307, 308, 311 or 334 of the said Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such "advance tax" in respect of any income chargeable to tax under section 193, 194, 195, 199, 200, 201, 202, 203, 204, 206, 207, 208, 209, 210, 211, 214, 218 or 334 of the said Act] shall be charged, deducted or computed at the following rate or rates:—

Paragraph A

(*I*) In the case of every individual other than the individual referred to in items (*II*) and (*III*) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act, not being a case to which Paragraphs B, C, D and E of this Part applies,—

Rates of income-tax

(*1*) where the total income does not exceed ₹ 250000	*Nil*;
(*2*) where the total income exceeds ₹ 250000 but does not exceed ₹ 500000	5% of the amount by which the total income exceeds ₹ 250000;
(*3*) where the total income exceeds ₹ 500000 but does not exceed ₹ 1000000	₹ 12500 *plus* 20% of the amount by which the total income exceeds ₹ 500000;
(*4*) where the total income exceeds ₹ 1000000	₹ 112500 *plus* 30% of the amount by which the total income exceeds ₹ 1000000.

(*II*) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the tax year,—

Rates of income-tax

(*1*) where the total income does not exceed ₹ 300000	*Nil*;
(*2*) where the total income exceeds ₹ 300000 but does not exceed ₹ 500000	5% of the amount by which the total income exceeds ₹ 300000;
(*3*) where the total income exceeds ₹ 500000 but does not exceed ₹ 1000000	₹ 10000 *plus* 20% of the amount by which the total income exceeds ₹ 500000;
(*4*) where the total income exceeds ₹ 1000000	₹ 110000 *plus* 30% of the amount by which the total income exceeds ₹ 1000000.

(*III*) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the tax year,—

Rates of income-tax

(*1*) where the total income does not exceed ₹ 500000	*Nil*;
(*2*) where the total income exceeds ₹ 500000 but does not exceed ₹ 1000000	20% of the amount by which the total income exceeds ₹ 500000;
(*3*) where the total income exceeds ₹ 1000000	₹ 100000 *plus* 30% of the amount by which the total income exceeds ₹ 1000000.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(*1*) where the total income does not exceed ₹ 10000	10% of the total income;
(*2*) where the total income exceeds ₹ 10000 but does not exceed ₹ 20000	₹ 1000 *plus* 20% of the amount by which the total income exceeds ₹ 10000;
(*3*) where the total income exceeds ₹ 20000	₹ 3000 *plus* 30% of the amount by which the total income exceeds ₹ 20000.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	30%.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	30%.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—	
(*i*) where its total turnover or the gross receipt in the tax year 2024-25 does not exceed ₹ 400 crores;	25% of the total income;
(*ii*) other than that referred to in item (*i*)	30% of the total income.
II. In the case of a company other than a domestic company,—	
(*i*) on so much of the total income as consists of,— (*a*) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st March, 1961 but before the 1st April, 1976; or (*b*) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th February, 1964 but before the 1st April, 1976, and where such agreement has, in either case, been approved by the Central Government;	50%;
(*ii*) on the balance, if any, of the total income	35%.

Paragraph F

Surcharge on income-tax

The amount of income-tax computed in accordance with the Paragraphs A to E, or the provisions of section 196, 197 or 198 of the said Act, in the case of person as specified in column B in Table 1 below, shall be increased by a surcharge, for the purposes of the Union, calculated at the rate or rates as specified in column C of the said Table, of such income-tax.

TABLE 1

Sl. No.	Person	Rate of surcharge
A	B	C
1.	(*i*) Every individual; or (*ii*) Hindu undivided family; or (*iii*) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (*iv*) body of individuals, whether incorporated or not; or (*v*) every artificial juridical person referred to in section 2(*77*)(*g*) of the said Act.	(*i*) Where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (*iii*) where the total income (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%; (*iv*) where the total income (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 50000000, at the rate of 37%; (*v*) where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000, but is not covered in (*iii*) and (*iv*) above, at the rate of 15%; (*vi*) where the total income includes any dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act, the rate of surcharge on the amount of income-tax computed in respect of that part of income shall not exceed 15% and the provisions of clause (*i*) or (*ii*), as the case may be, shall apply accordingly.

A	B	C
2.	Association of persons consisting of only companies as its members.	(*i*) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (*ii*) where the total income exceeds ₹ 10000000, at the rate of 15%.
3.	Every co-operative society.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 12%.
4.	Every firm or local authority.	Where the total income exceeds ₹ 10000000, at the rate of 12%.
5.	Every domestic company.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 12%.
6.	Every company, other than a domestic company.	(*i*) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 2%; (*ii*) where the total income exceeds ₹ 100000000, at the rate of 5%.

Further, in respect of the persons mentioned in column B of the Table 2 below, having total income exceeding the amount as specified in column C of the said Table but does not exceed the amount specified in column D thereof, the total amount payable as income-tax and surcharge thereon shall not exceed the amount determined as per the following formula:—

Wa = Ua + Va

where,—

Wa = the total amount beyond which the total amount payable as income-tax and surcharge thereon shall not exceed;

Ua = the total amount payable as income-tax and surcharge, if applicable, on an amount as specified in column C of the Table 2 below; and

Va = the total income – amount as specified in column C of the said Table.

TABLE 2

Sl. No.	Person	Amount	Amount
A	B	C	D
1.	Table 1: Sl. No. 1.B.	₹ 5000000. ₹10000000. ₹ 20000000. ₹ 50000000.	₹ 10000000. ₹ 20000000. ₹ 50000000. -

A	B	C	D
2.	Table 1: Sl. No. 2.B.	₹ 5000000. ₹10000000.	₹ 10000000. -
3.	Table 1: Sl. No. 3.B.	₹ 10000000. ₹ 100000000.	₹ 100000000. -
4.	Table 1: Sl. No. 4.B.	₹ 10000000.	-
5.	Table 1: Sl. No. 5.B and 6.B.	₹10000000. ₹ 100000000.	₹100000000. -

PART IV

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

A.—UNDER THE INCOME-TAX ACT, 1961

[*See* section 2(*7*)(*b*)]

Rule 1.—(*1*) Agricultural income of the nature referred to in section 2(*1A*)(*a*) of the Income-tax Act, 1961 (43 of 1961) (hereafter in this Part IV-A referred to as the said Act) shall be computed as if it were income chargeable to income-tax under the said Act under the head "Income from other sources" and the provisions of sections 57 to 59 of the said Act shall, so far as may be, apply accordingly.

(*2*) For the purposes of sub-rule (*1*), section 58(*2*) of the said Act shall apply subject to the modification that the reference to section 40A of the said Act therein shall be construed as not including a reference to sub-sections (*3*), (*3A*) and (*4*) of section 40A.

Rule 2.—Agricultural income of the nature referred to in section 2(*1A*)(*b*) or (*c*) of the said Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (*c*)] shall be computed as if it were income chargeable to income-tax under the said Act under the head "Profits and gains of business or profession" and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (*3*), (*3A*) and (*4*) thereof], 41, 43, 43A, 43B and 43C of the said Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in section 2(*1A*)(*c*) of the said Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (*c*) shall be computed as if it were income chargeable to income-tax under the said Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.—Irrespective of anything contained in any other provisions of these rules, in a case—

(*a*) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed as per rule 8 of the Income-tax Rules, 1962, and 60% of such income shall be regarded as the agricultural income of the assessee;

(*b*) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed as per rule 7A of the Income-tax Rules, 1962, and 65% of such income shall be regarded as the agricultural income of the assessee;

(*c*) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed as per rule 7B of the Income-tax Rules, 1962, and 60% or 75%, as the case may be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the said Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—(*1*) Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income.

(*2*) Irrespective of anything contained in sub-rule (*1*), where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(*1*) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st April, 2026, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st April, 2018 or the 1st April, 2019 or the 1st April, 2020 or the 1st April, 2021 or the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025, is a loss, then, for the purposes of section 2(*2*) of this Act,—

(*i*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st April, 2019 or the 1st April, 2020 or the 1st April, 2021 or the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*ii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st April, 2020 or the 1st April, 2021 or the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*iii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st April, 2020, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st April, 2021 or the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*iv*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st April, 2021, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*v*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st April, 2022, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*vi*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st April, 2023, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st April, 2024, or the 1st April, 2025;

(*vii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st April, 2024, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st April, 2025;

(*viii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st April, 2025,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st April, 2026.

(*2*) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (*1*) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (*1*).

(*3*) Irrespective of anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2018 (13 of 2018) or the First Schedule to the Finance (No. 2) Act, 2019 (23 of 2019) or the First Schedule to the Finance Act, 2020 (12 of 2020) or the First Schedule to the Finance Act, 2021 (13 of 2021) or the First Schedule to the Finance Act, 2022 (6 of 2022) or the First Schedule to the Finance Act, 2023 (8 of 2023) or the First Schedule to the Finance (No. 2) Act, 2024 (15 of 2024) or the First Schedule to the Finance Act, 2025 (7 of 2025) shall be set off under sub-rule (*1*).

Rule 9.—Where the net result of the computation made as per these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 10.—The provisions of the said Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 11.—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the said Act for the purposes of assessment of the total income.

B.—UNDER THE INCOME-TAX ACT, 2025

[*See* section 3(*18*)(*c*)]

Rule 1.—(*1*) Agricultural income of the nature referred to in section 2(*5*)(*a*) of the Income-tax Act, 2025 (30 of 2025) (hereafter in this Part IV-B referred to as the said Act) shall be computed as if it were income chargeable to income-tax under the said Act under the head "Income from other sources" and the provisions of sections 93 to 95 of the said Act shall, so far as may be, apply accordingly.

(*2*) For the purposes of sub-rule (*1*), section 94(*2*) of the said Act shall apply subject to the modification that the reference to section 36 of the said Act therein shall be construed as not including a reference to sub-sections (*4*), (*5*), (*6*), (*7*) and (*8*) of section 36.

Rule 2.—Agricultural income of the nature referred to in section 2(*5*)(*b*) or (*c*) of the said Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (*c*)] shall be computed as if it were income chargeable to income-tax under the said Act under the head "Profits and gains of business or profession" and the provisions of sections 28, 29, 30, 31, 32, 33, 34, 35, 36 [other than sub-sections (*4*), (*5*), (*6*), (*7*) and (*8*) thereof], 37, 38, 39, 40, 42 and 66 of the said Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in section 2(*5*)(*c*) of the said Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (*c*) shall be computed as if it were income chargeable to income-tax under the said Act under the head "Income from house property" and the provisions of sections 21 to 25 of the said Act shall, so far as may be, apply accordingly.

Rule 4.—Irrespective of anything contained in any other provisions of these rules, in a case—

(*a*) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed as per rules notified for the purposes of the said Act, and 60% of such income shall be regarded as the agricultural income of the assessee;

(*b*) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed as per rules notified for the purposes of the said Act, and 65% of such income shall be regarded as the agricultural income of the assessee;

(*c*) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed as per rules notified for the purposes of the said Act, and 60% or 75%, as the case may be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the tax year has either no income chargeable to tax under the said Act or has total income not exceeding the maximum amount not chargeable to tax in the

case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—(*1*) Where the result of the computation for the tax year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that tax year from any other source of agricultural income.

(*2*) Irrespective of anything contained in sub-rule (*1*), where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(*1*) Where the assessee has, in the tax year commencing on the 1st April, 2026, or, if by virtue of any provision of the said Act, income-tax is to be charged in respect of the income of a period other than the tax year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the tax years commencing on the 1st April, 2018 or the 1st April, 2019 or the 1st April, 2020 or the 1st April, 2021 or the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025, is a loss, then, for the purposes of section 2(*2*) or (*10*) of this Act,—

(*i*) the loss so computed for the tax year commencing on the 1st April, 2018, to the extent, if any, such loss has not been set off against the agricultural income for the tax year commencing on the 1st April, 2019 or the 1st April, 2020 or the 1st April, 2021 or the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*ii*) the loss so computed for the tax year commencing on the 1st April, 2019, to the extent, if any, such loss has not been set off against the agricultural income for the tax year commencing on the 1st April, 2020 or the 1st April, 2021 or the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*iii*) the loss so computed for the tax year commencing on the 1st April, 2020, to the extent, if any, such loss has not been set off against the agricultural income for the tax year commencing on the 1st April, 2021 or the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*iv*) the loss so computed for the tax year commencing on the 1st April, 2021, to the extent, if any, such loss has not been set off against the agricultural income for the tax year commencing on the 1st April, 2022 or the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*v*) the loss so computed for the tax year commencing on the 1st April, 2022, to the extent, if any, such loss has not been set off against the agricultural income for the tax year commencing on the 1st April, 2023 or the 1st April, 2024, or the 1st April, 2025;

(*vi*) the loss so computed for the tax year commencing on the 1st April, 2023, to the extent, if any, such loss has not been set off against the agricultural income for the tax year commencing on the 1st April, 2024, or the 1st April, 2025;

(*vii*) the loss so computed for the tax year commencing on the 1st April, 2024, to the extent, if any, such loss has not been set off against the agricultural income for the tax year commencing on the 1st April, 2025;

(*viii*) the loss so computed for the tax year commencing on the 1st April, 2025,

shall be set off against the agricultural income of the assessee for the tax year commencing on the 1st April, 2026.

(*2*) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (*1*) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (*1*).

(*3*) Irrespective of anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2018 (13 of 2018) or the First Schedule to the Finance (No. 2) Act, 2019 (23 of 2019) or the First Schedule to the Finance Act, 2020 (12 of 2020) or the First Schedule to the Finance Act, 2021 (13 of 2021) or the First Schedule to the Finance Act, 2022 (6 of 2022) or the First Schedule to the Finance Act, 2023 (8 of 2023) or the First Schedule to the Finance (No. 2) Act, 2024 (15 of 2024) or the First Schedule to the Finance Act, 2025 (7 of 2025) shall be set off under sub-rule (*1*).

Rule 9.—Where the net result of the computation made as per these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 10.—The provisions of the said Act relating to procedure for assessment (including the provisions of section 516 relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 11.—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the said Act for the purposes of assessment of the total income.

Rule 12.—Where a reference is made in this Part to any tax year commencing on the 1st April, 2025 or to any earlier tax year, the same shall be construed as a reference to the corresponding previous year under the Income-tax Act, 1961 (43 of 1961) as provided in section 536(*3*) of the said Act.

THE SECOND SCHEDULE

[*See* section 152(*a*)]

In the First Schedule to the Customs Tariff Act, in Chapter 66,—

(*i*) for the entry in column (4) occurring against tariff items 6601 91 00 and 6601 99 00, the entry "20% or Rs. 60 per piece, whichever is higher" shall be substituted;

(*ii*) for the entry in column (4) occurring against tariff items 6603 20 00, 6603 90 10 and 6603 90 90, the entry "10% or Rs. 25 per kg., whichever is higher" shall be substituted.

THE THIRD SCHEDULE

[*See* section 152(*b*)]

In the First Schedule to the Customs Tariff Act, in Chapter 98, for the entry in column (4) occurring against all the tariff items of heading 9804, the entry "10%" shall be substituted.

THE FOURTH SCHEDULE

[*See* section 152(*c*)(*i*)]

In the First Schedule to the Customs Tariff Act,—

Tariff Item	Description of goods	Unit	Rate of duty	
			Standard	Preferential
(1)	(2)	(3)	(4)	(5)

(*1*) in Chapter 3, in heading 0306, for tariff item 0306 19 00 and the entries relating thereto, the following shall be substituted, namely:—

"0306 19	--	*Other :*			
0306 19 10	---	Krill	kg.	15%	-
0306 19 90	---	Other	kg.	30%	-";

(*2*) in Chapter 8,—

(*i*) in heading 0802, for tariff item 0802 99 00 and the entries relating thereto, the following shall be substituted, namely:—

"0802 99	--	*Other :*			
0802 99 10	---	Pecan nuts	kg.	30%	90%
0802 99 90	---	Other	kg.	100%	90%";

(*ii*) in heading 0810, for tariff item 0810 40 00 and the entries relating thereto, the following shall be substituted, namely:—

"0810 40	-	*Cranberries, bilberries and other fruits of the genus Vaccinium :*			
0810 40 10	---	Cranberries	kg.	10%	20%
0810 40 20	---	Blueberries	kg.	10%	20%
0810 40 90	---	Other	kg.	30%	20%";

(*iii*) in heading 0811, for tariff items 0811 90 10 to 0811 90 90 and the entries relating thereto, the following shall be substituted, namely:—

	"---	*Containing added sugar :*			
0811 90 11	----	Cranberries	kg.	10%	20%
0811 90 12	----	Blueberries	kg.	10%	20%
0811 90 19	----	Other	kg.	30%	20%
	---	*Other:*			
0811 90 91	----	Cranberries	kg.	10%	20%
0811 90 92	----	Blueberries	kg.	10%	20%
0811 90 99	----	Other	kg.	30%	20%";

(*iv*) in heading 0813, after tariff item 0813 40 20 and the entries relating thereto, the following shall be inserted, namely:—

"0813 40 30	---	Cranberries	kg.	10%	20%
0813 40 40	---	Blueberries	kg.	10%	20%";

(*3*) in Chapter 12, in heading 1207, after tariff item 1207 99 40 and the entries relating thereto, the following shall be inserted, namely:—

"1207 99 50	---	Shea nuts	kg.	15%	20%";

(*4*) in Chapter 13, in heading 1302, for tariff items 1302 19 19 to 1302 19 30 and the entries relating thereto, the following shall be substituted, namely:—

"1302 19 21	----	Of *Withania somnifera*	kg.	30%	-
1302 19 22	----	Of *Bacopa monnieri*	kg.	30%	-
1302 19 23	----	Of *Berberis aristata*	kg.	30%	-
1302 19 24	----	Of *Boswellia serrata*	kg.	30%	-
1302 19 25	----	Of *Emblica officinalis*	kg.	30%	-
1302 19 26	----	Of *Ocimum sanctum*	kg.	30%	-
1302 19 27	----	Of *Capsicum annuum*	kg.	30%	-
1302 19 28	----	Of *Phaseolus vulgaris*	kg.	30%	-
1302 19 31	----	Of *Piper nigrum*	kg.	30%	-
1302 19 32	----	Of *Pterocarpus marsupium*	kg.	30%	-
1302 19 33	----	Of *Punica granatum*	kg.	30%	-
1302 19 34	----	Of *Salacia reticulata*	kg.	30%	-
1302 19 35	----	Of *Tagetes erecta*	kg.	30%	-
1302 19 36	----	Of *Terminalia bellirica*	kg.	30%	-
1302 19 37	----	Of *Curcuma longa*	kg.	30%	-
1302 19 38	----	Of *Zingiber officinale*	kg.	30%	-
1302 19 39	----	Other	kg.	30%	-
1302 19 50	---	Cashew shell liquid (CNSL), crude	kg.	30%	-
1302 19 60	---	Purified and distilled CNSL (Cardanol)	kg.	30%	-";

(*5*) in Chapter 20, in heading 2008,—

(*i*) for tariff item 2008 93 00 and the entries relating thereto, the following shall be substituted, namely:—

"2008 93	--	*Cranberries* (*Vaccinium macrocarpon, Vaccinium oxycoccos*)*; lingonberries* (*Vaccinium vitis-idaea*)*:*			
2008 93 10	---	Cranberries (*Vaccinium macrocarpon, Vaccinium oxycoccos*)	kg.	5%	-
2008 93 90	---	Other	kg.	30%	-";

(*ii*) after tariff item 2008 99 14 and the entries relating thereto, the following shall be inserted, namely:—

"2008 99 15	----	Blueberries	kg.	10%	-";

(*iii*) after tariff item 2008 99 94 and the entries relating thereto, the following shall be inserted, namely:—

"2008 99 95	----	Blueberries	kg.	10%	-";

(*6*) in Chapter 21, in heading 2106, for tariff item 2106 90 50 and the entries relating thereto, the following shall be substituted, namely:—

	"---	*Compound preparations for making beverages:*			
2106 90 51	----	Compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% vol., determined at 20 °C	kg.	150%	-
2106 90 59	----	Other	kg.	50%	-";

(*7*) in Chapter 22, in heading 2202, for tariff items 2202 99 20 to 2202 99 90 and the entries relating thereto, the following shall be substituted, namely:—

	"---	*Fruit pulp or fruit juice based drinks:*			
2202 99 21	----	Cranberry products	l	10%	-

2202 99 29	----	Other	l	30%	-
	---	*Beverages containing milk:*			
2202 99 31	----	Cranberry products	l	10%	-
2202 99 39	----	Other	l	30%	-
	---	*Other :*			
2202 99 91	----	Cranberry products	l	10%	-
2202 99 99	----	Other	l	30%	-”;

(*8*) in Chapter 25, in heading 2529, for tariff item 2529 22 00 and the entries relating thereto, the following shall be substituted, namely:—

“2529 22	--	*Containing by weight more than 97 % of calcium fluoride :*			
2529 22 10	---	Acid grade	kg.	2.5%	-
2529 22 90	---	Other	kg.	5%	-”;

(*9*) in Chapter 26, in heading 2615, for tariff item 2615 10 00 and the entries relating thereto, the following shall be substituted, namely:—

“2615 10	-	*Zirconium ores and concentrates :*			
2615 10 10	---	Hafnium	kg.	Free	-
2615 10 90	---	Other	kg.	Free	-”;

(*10*) in Chapter 28, in heading 2841, for tariff item 2841 90 00 and the entries relating thereto, the following shall be substituted, namely:—

“2841 90	-	*Other :*			
2841 90 10	---	Ammonium metavanadate	kg.	2.5%	-
2841 90 90	---	Other	kg.	7.5%	-”;

(*11*) in Chapter 29,—

(*i*) in heading 2905, tariff item 2905 14 30 and the entries relating thereto shall be omitted;

(*ii*) in heading 2915,—

(*a*) for tariff item 2915 90 10 and the entries relating thereto, the following shall be substituted, namely:—

	“---	*Acetyl chloride, Propionyl chloride :*			
2915 90 11	----	Acetyl chloride	kg.	7.5%	-
2915 90 12	----	Propionyl chloride	kg.	7.5%	-”;

(*b*) after tariff item 2915 90 95 and the entries relating thereto, the following shall be inserted, namely:—

“2915 90 96	----	Triethyl orthoformate	kg.	5%	-”;

(*iii*) in heading 2916, for tariff item 2916 34 00 and the entries relating thereto, the following shall be substituted, namely:—

“2916 34	--	*Phenylacetic acid and its salts :*			
2916 34 10	---	Phenylacetic acid	kg.	7.5%	-
2916 34 90	---	Other	kg.	7.5%	-”;

(*iv*) in heading 2917,—

(*a*) for tariff item 2917 19 20 and the entries relating thereto, the following shall be substituted, namely:—

	“---	*Malonic acid, its salts and esters :*			
2917 19 21	----	Malonic acid	kg.	7.5%	-
2917 19 22	----	Diethyl malonate	kg.	5%	-

2917 19 29	----	Other	kg.	7.5%	-”;

(*b*) for the entry in column (2) occurring against tariff item 2917 19 70, the entry “--- Ethoxy methylene malonate” shall be substituted;

(*v*) in heading 2918,—

(*a*) after tariff item 2918 30 60 and the entries relating thereto, the following shall be inserted, namely:—

“2918 30 70	---	Methyl alpha-phenylacetoacetate	kg.	7.5%	-”;

(*b*) after tariff item 2918 99 30 and the entries relating thereto, the following shall be inserted, namely:—

“2918 99 40	---	P-2-P methyl glycidic acid and its esters	kg.	7.5%	-”;

(*vi*) in heading 2922,—

(*a*) after tariff item 2922 19 19 and the entries relating thereto, the following shall be inserted, namely:—

“2922 19 30	---	DL-2 Aminobutanol	kg.	5%	-”;

(*b*) for tariff item 2922 43 00 and the entries relating thereto, the following shall be substituted, namely:—

“2922 43	--	*Anthranilic acid and its salts:*			
2922 43 10	---	Anthranilic acid	kg.	7.5%	-
2922 43 90	---	Other	kg.	7.5%	-”;

(*vii*) in heading 2924, for tariff item 2924 29 90 and the entries relating thereto, the following shall be substituted, namely:—

	“---	*Other:*			
2924 29 91	----	Alpha-phenylacetoacetamide	kg.	7.5%	-
2924 29 99	----	Other	kg.	7.5%	-”;

(*viii*) in heading 2927, after tariff item 2927 00 10 and the entries relating thereto, the following shall be inserted, namely:—

“2927 00 20	---	Azobisisobutyronitrile (AIBN)	kg.	7.5%	-”;

(*ix*) in heading 2932,—

(*a*) after tariff item 2932 20 30 and the entries relating thereto, the following shall be inserted, namely:—

“2932 20 40	---	Gibberellic acid	kg.	5%	-
2932 20 50	---	Aceto butyrolactone	kg.	5%	-”;

(*b*) after tariff item 2932 99 20 and the entries relating thereto, the following shall be inserted, namely:—

“2932 99 30	---	Artemisinin	kg.	5%	-
2932 99 40	---	3,4-MDP-2-P methyl glycidic acid	kg.	7.5%	-
2932 99 50	---	3,4-MDP-2-P methyl glycidate	kg.	7.5%	-”;

(*x*) in heading 2933,—

(*a*) for tariff item 2933 32 10 and the entries relating thereto, the following shall be substituted, namely:—

“2933 32 20	---	Piperidine	kg.	7.5%	-
2933 32 30	---	Mepiquate chloride	kg.	7.5%	-”;

(*b*) for the entry in column (2) occurring against tariff item 2933 37 00, the entry “-- N-Phenethyl-4-piperidone (NPP)” shall be substituted;

(*c*) after tariff item 2933 39 60 and the entries relating thereto, the following shall be inserted, namely:—

"2933 39 70	---	4-Piperidone	kg.	7.5%	-
2933 39 80	---	1-Boc-4-piperidone	kg.	7.5%	-";

(*d*) for tariff item 2933 39 90 and the entries relating thereto, the following shall be substituted, namely:—

	"---	*Other:*			
2933 39 91	----	Norfentanyl	kg.	7.5%	-
2933 39 99	----	Other	kg.	7.5%	-";

(*xi*) in heading 2934, after tariff item 2934 99 40 and the entries relating thereto, the following shall be inserted, namely:—

"2934 99 50	---	Thymidine	kg.	5%	-";

(*xii*) in heading 2939,—

(*a*) for tariff items 2939 41 00 to 2939 42 00 and the entries relating thereto, the following shall be substituted, namely:—

"2939 41	--	*Ephedrine and its salts :*			
2939 41 10	---	Ephedrine	kg.	7.5%	10%
2939 41 90	---	Other	kg.	7.5%	10%
2939 42	--	*Pseudoephedrine* (*INN*) *and its salts :*			
2939 42 10	---	Pseudoephedrine (INN)	kg.	7.5%	10%
2939 42 90	---	Other	kg.	7.5%	10%";

(*b*) for tariff item 2939 44 00 and the entries relating thereto, the following shall be substituted, namely:—

"2939 44	--	*Norephedrine and its salts :*			
2939 44 10	---	Norephedrine	kg.	7.5%	-
2939 44 90	---	Other	kg.	7.5%	-";

(*c*) for tariff item 2939 63 00 and the entries relating thereto, the following shall be substituted, namely:—

"2939 63	--	*Lysergic acid and its salts :*			
2939 63 10	---	Lysergic acid	kg.	7.5%	-
2939 63 90	---	Other	kg.	7.5%	-";

(*12*) in Chapter 33, in heading 3302, for tariff items 3302 10 10 to 3302 10 90 and the entries relating thereto, the following shall be substituted, namely:—

	"---	*Synthetic flavouring essences :*			
3302 10 11	----	Compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5 % vol., determined at 20 ℃	kg.	20%	-
3302 10 19	----	Other	kg.	10%	-
	---	*Other :*			
3302 10 91	----	Compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5 % vol., determined at 20 ℃	kg.	20%	-
3302 10 99	----	Other	kg.	10%	-";

(*13*) in Chapter 39, in heading 3923, for tariff item 3923 29 90 and the entries relating thereto, the following shall be substituted, namely:—

	"---	*Other :*			
3923 29 91	----	Biodegradable	kg.	15%	-
3923 29 99	----	Other	kg.	15%	-";

(*14*) in Chapter 41,—

(*i*) in heading 4104, for tariff items 4104 11 00 to 4104 19 00 and the entries relating thereto, the following shall be substituted, namely:—

"4104 11	--	*Full grains, unsplit; grain splits :*			
4104 11 10	---	Wet blues	kg.	Free	-
4104 11 90	---	Other	kg.	10%	-
4104 19	--	*Other :*			
4104 19 10	---	Wet blues	kg.	Free	-
4104 19 90	---	Other	kg.	10%	-";

(*ii*) in heading 4105, for tariff item 4105 10 00 and the entries relating thereto, the following shall be substituted, namely:—

"4105 10	-	*In the wet state* (*including wet-blue*) *:*			
4105 10 10	---	Wet blues	kg.	Free	-
4105 10 90	---	Other	kg.	10%	-";

(*iii*) in heading 4106,—

(*a*) for tariff item 4106 21 00 and the entries relating thereto, the following shall be substituted, namely:—

"4106 21	--	*In the wet state* (*including wet-blue*) *:*			
4106 21 10	---	Wet blues	kg.	Free	-
4106 21 90	---	Other	kg.	10%	-";

(*b*) for tariff item 4106 31 00 and the entries relating thereto, the following shall be substituted, namely:—

"4106 31	--	*In the wet state* (*including wet-blue*) *:*			
4106 31 10	---	Wet blues	kg.	Free	-
4106 31 90	---	Other	kg.	10%	-";

(*c*) for tariff item 4106 91 00 and the entries relating thereto, the following shall be substituted, namely:—

"4106 91	--	*In the wet state* (*including wet-blue*) *:*			
4106 91 10	---	Wet blues	kg.	Free	-
4106 91 90	---	Other	kg.	10%	-";

(*15*) in Chapter 47, in heading 4702, for tariff item 4702 00 00 and the entries relating thereto, the following shall be substituted, namely:—

"4702		CHEMICAL WOOD PULP, DISSOLVING GRADES			
4702 00	-	*Chemical wood pulp, dissolving grades :*			
4702 00 10	---	Rayon grade wood pulp	kg.	2.5%	-
4702 00 90	---	Other	kg.	5%	-";

(*16*) in Chapter 48, in heading 4823, after tariff item 4823 90 30 and the entries relating thereto, the following shall be inserted, namely:—

"4823 90 40	---	Kites	kg.	20%	-";

(*17*) in Chapter 73,—

(*i*) in heading 7305,—

(*a*) for tariff items 7305 11 19 to 7305 11 29 and the entries relating thereto, the following shall be substituted, namely:—

"7305 11 19	----	Other	kg.	15%	-
	---	*Non-galvanised pipes, of iron :*			
7305 11 31	----	Clad, plated or coated	kg.	15%	-
7305 11 39	----	Other	kg.	15%	-
	---	*Non-galvanised pipes, other :*			
7305 11 41	----	Clad, plated or coated	kg.	15%	-
7305 11 49	----	Other	kg.	15%	-";

(*b*) for tariff items 7305 12 19 to 7305 12 29 and the entries relating thereto, the following shall be substituted, namely:—

"7305 12 19	----	Other	kg.	15%	-
	---	*Non-galvanised pipes, of iron :*			
7305 12 31	----	Clad, plated or coated	kg.	15%	-
7305 12 39	----	Other	kg.	15%	-
	---	*Non-galvanised pipes, other :*			
7305 12 41	----	Clad, plated or coated	kg.	15%	-
7305 12 49	----	Other	kg.	15%	-";

(*c*) for tariff items 7305 19 19 to 7305 19 29 and the entries relating thereto, the following shall be substituted, namely:—

"7305 19 19	----	Other	kg.	15%	-
	---	*Non-galvanised pipes, of iron :*			
7305 19 31	----	Clad, plated or coated	kg.	15%	-
7305 19 39	----	Other	kg.	15%	-
	---	*Non-galvanised pipes, other :*			
7305 19 41	----	Clad, plated or coated	kg.	15%	-
7305 19 49	----	Other	kg.	15%	-";

(*d*) for tariff items 7305 31 10 to 7305 31 90 and the entries relating thereto, the following shall be substituted, namely:—

	"---	*Galvanised :*			
7305 31 11	----	Of iron	kg.	15%	-
7305 31 19	----	Other	kg.	15%	-
	---	*Non-galvanised, of iron :*			
7305 31 21	----	Clad, plated or coated	kg.	15%	-
7305 31 29	----	Other	kg.	15%	-
	---	*Non-galvanised, other :*			
7305 31 31	----	Clad, plated or coated	kg.	15%	-
7305 31 39	----	Other	kg.	15%	-";

(*e*) for tariff items 7305 39 10 to 7305 39 90 and the entries relating thereto, the following shall be substituted, namely:—

	"---	*Galvanised :*			

7305 39 11	----	Of iron	kg.	15%	-
7305 39 19	----	Other	kg.	15%	-
	---	*Non-galvanised, of iron :*			
7305 39 21	----	Clad, plated or coated	kg.	15%	-
7305 39 29	----	Other	kg.	15%	-
	---	*Non-galvanised, other :*			
7305 39 31	----	Clad, plated or coated	kg.	15%	-
7305 39 39	----	Other	kg.	15%	-”;

(*ii*) in heading 7306, for tariff items 7306 19 19 to 7306 19 29 and the entries relating thereto, the following shall be substituted, namely:—

“7306 19 19	----	Other	kg.	15%	-
	---	*Non-galvanised pipes, of iron :*			
7306 19 31	----	Clad, plated or coated	kg.	15%	-
7306 19 39	----	Other	kg.	15%	-
	---	*Non-galvanised pipes, other :*			
7306 19 41	----	Clad, plated or coated	kg.	15%	-
7306 19 49	----	Other	kg.	15%	-”;

(*18*) in Chapter 81, in heading 8101, after tariff item 8101 99 10 and the entries relating thereto, the following shall be inserted, namely:—

“8101 99 20	---	Bars and rods, other than those obtained simply by sintering, profiles, plates, sheets, strip and foil	kg.	5%	-”;

(*19*) in Chapter 84,—

(*i*) in heading 8415, for tariff item 8415 90 00 and the entries relating thereto, the following shall be substituted, namely:—

“8415 90	-	*Parts :*			
8415 90 10	---	Separately presented indoor units or outdoor units for split-system air conditioning machines	u	20%	-
8415 90 90	---	Other	kg.	10%	-”;

(*ii*) in heading 8421, for tariff item 8421 99 00 and the entries relating thereto, the following shall be substituted, namely:—

“8421 99	--	*Other :*			
8421 99 10	---	Reverse Osmosis (RO) membrane element for household type filters	u	10%	-
8421 99 90	---	Other	u	7.5%	-”;

(*20*) in Chapter 85,—

(*i*) in heading 8507, for tariff item 8507 90 10 and the entries relating thereto, the following shall be substituted, namely:—

“8507 90 10	---	Accumulator cases made of hard rubber	kg.	10%	-
8507 90 20	---	Battery separators	kg.	5%	-”;

(*ii*) in heading 8529,—

(*a*) after tariff item 8529 10 92 and the entries relating thereto, the following shall be inserted, namely:—

“8529 10 93	----	Other, for apparatus of headings 8525 to 8527	u	10%	-”;

(*b*) after tariff item 8529 90 20 and the entries relating thereto, the following shall be inserted, namely:—

"8529 90 30	---	Other, for apparatus of headings 8525 to 8527	u	10%	-";

(*21*) in Chapter 86, in heading 8609, for tariff item 8609 00 00 and the entries relating thereto, the following shall be substituted, namely:—

"8609		CONTAINERS (INCLUDING CONTAINERS FOR THE TRANSPORT OF FLUIDS) SPECIALLY DESIGNED AND EQUIPPED FOR CARRIAGE BY ONE OR MORE MODES OF TRANSPORT			
8609 00	-	*Containers* (*including containers for the transport of fluids*) *specially designed and equipped for carriage by one or more modes of transport :*			
8609 00 10	---	Refrigerated containers	u	5%	-
8609 00 90	---	Other	u	10%	-".

THE FIFTH SCHEDULE

[*See* section 152(*c*)(*ii*)]

In the First Schedule to the Customs Tariff Act,—

(*1*) in Chapter 2, for the entry in column (4) occurring against tariff items 0207 25 00 and 0207 27 00, the entry "5%" shall be substituted;

(*2*) in Chapter 3, for the entry in column (4) occurring against tariff item 0306 36 60, the entry "Free" shall be substituted;

(*3*) in Chapter 5, for the entry in column (4) occurring against tariff item 0511 91 40, the entry "Free" shall be substituted;

(*4*) in Chapter 8,—

(*i*) for the entry in column (4) occurring against tariff item 0802 11 00, the entry "Rs. 35 per kg." shall be substituted;

(*ii*) for the entry in column (4) occurring against tariff item 0802 12 00, the entry "Rs. 100 per kg." shall be substituted;

(*iii*) for the entry in column (4) occurring against tariff item 0802 31 00, the entry "100%" shall be substituted;

(*5*) in Chapter 12, for the entry in column (4) occurring against tariff items 1209 10 00, 1209 21 00, 1209 22 00, 1209 23 00, 1209 24 00, 1209 25 00, 1209 29 10, 1209 29 90 and 1209 30 00, the entry "15%" shall be substituted;

(*6*) in Chapter 15, for the entry in column (4) occurring against all the tariff items of heading 1505, the entry "15%" shall be substituted;

(*7*) in Chapter 20, for the entry in column (4) occurring against tariff items 2008 19 21, 2008 19 22, 2008 19 29, 2008 19 91 and 2008 19 92, the entry "30%" shall be substituted;

(*8*) in Chapter 21, for the entry in column (4) occurring against tariff items 2106 90 11, 2106 90 19, 2106 90 20, 2106 90 30, 2106 90 40, 2106 90 60, 2106 90 70, 2106 90 80, 2106 90 91, 2106 90 92 and 2106 90 99, the entry "50%" shall be substituted;

(*9*) in Chapter 23, for the entry in column (4) occurring against tariff item 2309 90 31, the entry "5%" shall be substituted;

(*10*) in Chapter 25,—

(*i*) for the entry in column (4) occurring against all the tariff items of heading 2504, the entry "2.5%" shall be substituted;

(*ii*) for the entry in column (4) occurring against all the tariff items of heading 2505, the entry "Free" shall be substituted;

(*iii*) for the entry in column (4) occurring against all the tariff items of heading 2506, the entry "2.5%" shall be substituted;

(*iv*) for the entry in column (4) occurring against tariff item 2530 90 91, the entry "Free" shall be substituted;

(*11*) in Chapter 27,—

(*i*) for the entry in column (4) occurring against all the tariff items of heading 2701, the entry "2.5%" shall be substituted;

(*ii*) for the entry in column (4) occurring against all the tariff items of heading 2702, the entry "2.5%" shall be substituted;

(*iii*) for the entry in column (4) occurring against all the tariff items of heading 2703, the entry "2.5%" shall be substituted;

(*iv*) for the entry in column (4) occurring against tariff item 2709 00 10, the entry "Re 1 per tonne" shall be substituted;

(*12*) in Chapter 28,—

(*i*) for the entry in column (4) occurring against tariff item 2804 50 20, the entry "Free" shall be substituted;

(*ii*) for the entry in column (4) occurring against tariff item 2804 61 00, the entry "Free" shall be substituted;

(*iii*) for the entry in column (4) occurring against tariff item 2804 69 00, the entry "Free" shall be substituted;

(*iv*) for the entry in column (4) occurring against tariff item 2804 90 00, the entry "Free" shall be substituted;

(*v*) for the entry in column (4) occurring against tariff item 2805 30 00, the entry "Free" shall be substituted;

(*vi*) for the entry in column (4) occurring against tariff item 2809 20 10, the entry "5%" shall be substituted;

(*vii*) for the entry in column (4) occurring against tariff item 2811 22 00, the entry "2.5%" shall be substituted;

(*viii*) for the entry in column (4) occurring against tariff item 2816 40 00, the entry "Free" shall be substituted;

(*ix*) for the entry in column (4) occurring against all the tariff items of heading 2822, the entry "Free" shall be substituted;

(*x*) for the entry in column (4) occurring against tariff item 2825 20 00, the entry "Free" shall be substituted;

(*xi*) for the entry in column (4) occurring against all the tariff items of sub-heading 2825 30, the entry "Free" shall be substituted;

(*xii*) for the entry in column (4) occurring against tariff item 2825 60 10, the entry "Free" shall be substituted;

(*xiii*) for the entry in column (4) occurring against all the tariff items of sub-heading 2825 70, the entry "Free" shall be substituted;

(*xiv*) for the entry in column (4) occurring against tariff item 2825 80 00, the entry "Free" shall be substituted;

(*xv*) for the entry in column (4) occurring against tariff item 2825 90 20, the entry "Free" shall be substituted;

(*xvi*) for the entry in column (4) occurring against tariff item 2827 35 00, the entry "Free" shall be substituted;

(*xvii*) for the entry in column (4) occurring against tariff item 2827 39 30, the entry "Free" shall be substituted;

(*xviii*) for the entry in column (4) occurring against tariff item 2833 24 00, the entry "Free" shall be substituted;

(*xix*) for the entry in column (4) occurring against tariff item 2834 21 00, the entry "Free" shall be substituted;

(*xx*) for the entry in column (4) occurring against tariff item 2836 91 00, the entry "Free" shall be substituted;

(*xxi*) for the entry in column (4) occurring against tariff item 2836 92 00, the entry "Free" shall be substituted;

(*13*) in Chapter 29,—

(*i*) for the entry in column (4) occurring against tariff item 2910 20 00, the entry "2.5%", shall be substituted;

(*ii*) for the entry in column (4) occurring against tariff item 2918 15 30, the entry "Free" shall be substituted;

(*14*) in Chapter 31, for the entry in column (4) occurring against tariff item 3102 30 00, the entry "5%" shall be substituted;

(*15*) in Chapter 38,—

(*i*) for the entry in column (4) occurring against all the tariff items of heading 3801, the entry "2.5%" shall be substituted;

(*ii*) for the entry in column (4) occurring against tariff item 3808 93 30, the entry "5%" shall be substituted;

(*16*) in Chapter 39, for the entry in column (4) occurring against all the tariff items of heading 3904, the entry "7.5%" shall be substituted;

(*17*) in Chapter 48, for the entry in column (4) occurring against tariff item 4823 90 90, the entry "10%" shall be substituted;

(*18*) in Chapter 49, for the entry in column (4) occurring against tariff item 4906 00 00, the entry "Free" shall be substituted;

(*19*) in Chapter 52, for the entry in column (4) occurring against tariff item 5201 00 25, the entry "Free" shall be substituted;

(*20*) in Chapter 72, for the entry in column (4) occurring against tariff item 7202 60 00, the entry "Free" shall be substituted;

(*21*) in Chapter 74, for the entry in column (4) occurring against tariff item 7402 00 10, the entry "Free" shall be substituted;

(*22*) in Chapter 78, for the entry in column (4) occurring against all the tariff items of heading 7802, the entry "Free" shall be substituted;

(*23*) in Chapter 79, for the entry in column (4) occurring against all the tariff items of heading 7902, the entry "Free" shall be substituted;

(*24*) in Chapter 81, for the entry in column (4) occurring against tariff item 8105 20 30, the entry "Free" shall be substituted;

(*25*) in Chapter 84, for the entry in column (4) occurring against tariff items 8419 89 12, 8419 89 13, 8419 89 14, 8419 89 15, 8419 89 16, 8419 89 17 and 8419 89 19, the entry "7.5%" shall be substituted.

THE SIXTH SCHEDULE

(*See* section 158)

In the Seventh Schedule to the Finance Act, 2001,—

(*i*) for the entry in column (4) occurring against tariff item 2403 99 10, the entry "60%" shall be substituted;

(*ii*) for the entry in column (4) occurring against tariff item 2403 99 30, the entry "60%" shall be substituted;

(*iii*) for the entry in column (4) occurring against tariff item 2403 99 90, the entry "60%" shall be substituted.

———

Sd/-

DR. RAJIV MANI,

Secretary to the Government of India.

By order and in the name of the Governor of Gujarat,

Sd/-

K. M. LALA,

Secretary to Government.

Government Central Press, Gandhinagar.

Signature Not Verified
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Senior Manager
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